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# ***JPRS Report***

## **West Europe**

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# West Europe

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NOTICE TO READERS: For three months beginning in November, material formerly appearing in the JPRS WEST EUROPE REPORT will instead be published on a trial basis in the FBIS WEST EUROPE DAILY REPORT. Readers who currently receive only the JPRS Report may wish to subscribe to the FBIS Daily Report.

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## DENMARK

### Prime Minister Schluter on Poll Standings, Goals, Party

#### Reviews Years in Power

36130005a Copenhagen BERLINGSKE TIDENDE  
in Danish 4 Sep 88 Sec II p 1

[Interview with Prime Minister Poul Schluter by Ole Dall: "Risky Everything Twice"; date and place not given; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] In spite of poor ratings in the opinion polls, Prime Minister Poul Schluter's optimism and faith in nonsocialist Denmark remain intact. "I think Svend Auken must resign himself to being extremely patient."

On Saturday it will be 6 years since:

Twenty-one newly appointed nonsocialist ministers beamed at the photographers on Amalienborg Slotsplads. Erhard Jakobsen (Center Democrat) showed up with his own camera to take pictures of his minister daughter, and Finance Minister Henning Christophersen (Liberal) collected coins from the paving stones for the hard-pressed national treasury.

In the middle of the new cabinet ministers stood Poul Schluter. He was prime minister then—and he is prime minister today.

"I clearly remember saying to Lisbeth after I saw the queen: 'Do you know what? No one knows how things will turn out. But one thing is now certain: I will have won the right to be called former prime minister. That's always something.' We joked about it," said Poul Schluter.

In the weeks leading up to the sixth anniversary, the opinion polls have given the new Conservative-Liberal-Radical Liberal [KVR] government very low popularity ratings, and today's Gallup poll in BERLINGSKE TIDENDE shows big defections among Conservative voters.

[Question] Have 6 years of nonsocialist rule left enough of a mark on Danish society?

The prime minister considered this carefully before replying:

[Answer] I definitely think the four-party coalition achieved many good results. And I ask you this: Who knows what Denmark would have looked like if the Social Democrats and Socialist People's Party [SF] had been in power during these 6 years? They would not have been able to restrain the public sector as the four coalition parties and the Radicals did.

But as leader of a minority government for 6 years, I have learned how important it is to be able to find 90 votes from one issue to another. I would like to have pursued the Conservative Party's own policies, but the voters did not make that possible. I had to have the support of other parties, and, therefore, the Conservative profile was not as prominent as I would have liked.

#### Heaviest Burden

[Question] Will you now be a conservative "so it matters"?

[Answer] Several years ago I made this remark: "I am a conservative—but not so much that it matters." And by that I meant that the Conservative Party must be a broad popular party that is able to attract others besides fundamentally right-wing people.

[Question] But one senses a tightening up of the Conservative course.

[Answer] Yes, that is quite clear. But let me explain why. I have told my Folketing group many times that systematic attention must be paid to the other nonsocialist parties if nonsocialist Denmark is to take the lead for a longer period of time. And the biggest government party—the Conservative Party—must bear the major burden to keep nonsocialist Denmark together.

Now we have formed a new government and I think it is natural that in this new government the Conservatives should show their own basic political ideas clearly and explicitly because the new government will not just be a bookkeeping regime. It will not limit itself to the task of straightening out the accounts.

We must appeal more to people's creativity and enterprise. This must be done without smashing the welfare state that we all like. It has just gone overboard.

[Question] You have used optimism as a political tool, reaching the climax with the "everything is going extremely well" statement. Can optimism be overdone so that it creates false expectations?

[Answer] I have learned that when one says something with a little irony and a smile, it looks very different when it comes out in print. But optimism is a good working tool. It doesn't help to embark on a task with a negative attitude.

Optimism is needed once more. It must be combined with determination and the ability to rule the country, so people and firms can set to work on things they can't do today.

#### Team Leader

[Question] How would you characterize your own leadership style as prime minister?

[Answer] I have tried to act as leader of the team to a large extent. That is what I was in the old government and that will be my assignment in the new government too. Very often I have conducted government meetings according to the principle that if there is disagreement between the people in my own party and the others in the government, I have supported the others.

I am not impulsive by nature, but as a leading politician I know that quick, forceful decisions must be made at times. Then it is important to be mentally prepared.

I have risked everything on two occasions. I did so when we called a popular referendum on the EC package and when we had to hold the NATO election. If we had lost, we would have been out of the government.

The fact that I was correct in these two cases was the biggest and most positive experience I have had as prime minister. When many other things have been forgotten, it will be remembered that what we did had historical significance—and that our views were correct.

[Question] Would it be wrong to say that you are reluctant to make personnel decisions at close range—for example the possibility of a new Conservatives group chairman?

[Answer] Appointing ministers is the job of the prime minister. At times this gives a prime minister some difficult moments. It is a great experience to call someone up and say: "I would like you to serve as a cabinet minister." It is not always a delightful experience when one has to call up a good minister and say: "You must now be replaced by someone else."

But the members of the Conservative Folketing group are the ones who will decide who should lead the group.

[Question] But you do have something to say about it.

[Answer] I am a member of the group, like the others, but the question of electing the group leadership is the group's responsibility—and I mean that. I will not get mixed up in this. The group must handle it themselves.

#### Need To Protest

[Question] Do you regard nonsocialist voters as disloyal when they sneak over to the Progressive Party after you ensured that the country would be ruled by another nonsocialist government?

[Answer] I do not think the Progressive Party has made very strong gains because several hundred thousand people suddenly became Glistrup supporters.

Many voters are still surprised about the government formation. And it was poor timing to form a new government in June, for we cannot present our policy and achieve results before the opening speech is delivered in October.

In addition, this is a period of protest with many voters unthinkingly supporting a demand for lower taxes. The Progressive Party's call for tax relief is theoretical and has not been followed up with realistic proposals. But it sounds good.

However, I think the popular mood will shift dramatically when our many ideas about renewing society are converted into political programs in the opening speech.

And in spite of the hectic and critical mood just now, we will be able to have nonsocialist governments in Denmark for many years to come. Svend Auken must resign himself to being extremely patient.

[Question] Who do you regard as your closest political advisers?

[Answer] There are many in the party. I am able to talk to some more than others. But I have always talked a lot to Palle Simonsen, Knud Ostergaard, Erik Ninn-Hansen and Kent Kirk. In the new government my closest discussion partners are Uffe Ellemann-Jensen, Niels Helveg Petersen and Palle Simonsen.

[Question] The prime minister effect gave the Conservatives a terrific election in 1984. Are you afraid this effect may have worn off and that there is a need for other Conservatives to become more prominent?

[Answer] At a group meeting after the September election I urged my friends in the group to assert themselves in the public debate. What good does it do to pursue the best policy in the world if no one knows about it?

I am sure many people in the group—especially the younger members—are ready to take the offensive and use their energy to shape the Conservative profile and tell people what we stand for more aggressively.

[Question] Can you imagine yourself in an opposition role or will Poul Schluter leave Danish politics if we get a red majority?

[Answer] If we find ourselves in the opposition some day, and experience undoubtedly shows that this will happen sooner or later, I expect to participate in the work of the Folketing group under those conditions.

[Question] You won't leave political life?

[Answer] Not in the near future. I have no plans for that. But it is no secret that I have become older in the last 6 years, just like everyone else.

### Schluter Assessed, Quoted

36130005a Copenhagen BERLINGSKE TIDENDE  
in Danish 4 Sep 88 Sec II p 2

[Article by Ole Dall and Per Lyngby: "What They Think of Schluter"]

[Text]

#### Never Gives Up

Foreign Minister Uffe Ellemann-Jensen, government colleague: "Schluter has never given up when he ran into problems. His working style has been based on the idea that there is a solution to every problem. And if the best solution could not be implemented, he went on to the second best."

"Schluter has always known that things would probably work out one way or another. And it is clear that with that attitude, the work is aimed at getting results."

"This indicates considerable strength. For when one considers the parliamentary conditions under which the government has had to work many people would have given up."

"At the same time it has been his strength that he has always acted as leader of the team rather than as chairman of the Conservative Party. In other words he has placed himself at the head of the table in every sense and no one has considered him biased."

"This has made it possible to perform the extremely difficult balancing act of getting several parties to work together. If there hadn't been a leader who set about handling the government coalition like this and who also disregarded party considerations in concrete situations, it would never have worked."

"That has been Schluter's very strong contribution during the past 6 years."

#### Very Positive Boss

Undersecretary Peter Wiese: "I have had a very positive cooperation with Poul Schluter. The prime minister is incredibly open to government officials when it comes to conversations and proposals and it has been that way since the very first day."

"At the same time he is an extremely positive boss to work for. He is also interested in what goes on outside the political sphere as well as taking an interest in the staff. Even when he is under a lot of pressure in a crisis, he does not take it out on the people around him."

"When Poul Schluter came in 6 years ago, we were naturally eager to see what the new chief would be like. As civil servants we are more interested in what prime

ministers are like as employers and human beings than in the policies they represent. Our job is to help the prime minister in office at any given time."

"When a prime minister is in office for a long period of time we get to know each other very well. There are fewer big variations in daily activities when people are familiar with each other. It was also like that with Poul Schluter's predecessor, so we have been fortunate here while in many other places the boss changes every year."

"Normally I talk to Poul Schluter four to five times a day. The talks are anywhere from a couple of minutes to an hour in length."

#### Same as Person

Flemming Kristiansen, friend: "Poul Schluter has not changed as a person during the last 6 years. He has a talent for putting himself in the background. He has that much consideration for his associates."

"We talk to each other, sail, play billiards, plan to go fishing together—and he has threatened to teach me how to play golf, but when I come to Hornbaek the good weather comes to an end."

"We almost never talk about politics. After the day is over his head is spinning and he shouldn't be bothered."

"But as an active businessman I am interested in his professional effort. It is incredible that he has lasted for 6 years. It is incomprehensible and very admirable."

"If he had a majority, the criticism would be totally silenced. Now he has to make compromises in order to achieve results. When one is in the minority it is all very well to have ideas and point out one's own cleverness, but it doesn't do any good."

"He takes the decline in the polls the same way he took the earlier gains: his realistic evaluation is that we should wait until the election."

#### Clinging to Power

Ritt Bjerregaard (Social Democrat), political opponent: "The most deplorable thing about the 6 years with Schluter is that Denmark has come to a standstill. Our exports, technology, education and research have fallen behind during this period."

"It is also a matter of social concern that people who were earning good money have been given an opportunity to earn more. And people who had no work are still unemployed to a very large extent. That is the result of Schluter's policy."

"It was obvious that things got rolling when he became prime minister. There were some ideas, some things he wanted. This has become more and more diluted and has gradually turned into just keeping things going. It is purely a matter of clinging to power."

"Schluter has not changed his style during the last 6 years. He has always had a jaunty enterprising manner and has been optimistic in dealing with people. 'Things are going incredibly well.' But at the same time he is quite personal in his relations with political opponents. We have seen that many times, most recently in connection with the election in May when he attacked Svend Auken to a large extent."

"Schluter's strong side is that he maintains his optimism toward his surroundings even if there is nothing to be optimistic about. He has scored because of that and after thinking it over carefully, I regard it as a wise tactic."

"His weakness is that he does not go into things thoroughly enough. I have seen that very clearly, most recently in connection with the agricultural negotiations and the tax on interest."

#### Schluter Quotations

"I will be no different as prime minister than I was before." (11 Sep 1982)

"As a rule politicians are worn down more by conflicts with their party colleagues than by struggles with their opponents." (10 Oct 1982)

"It is true that I have a good income, but I also pay darned good taxes." (10 Oct 1982)

"A lot of personal attacks can give me a feeling that I am going to throw up—inside." (2 Jan 1983)

"I have hopes that in the course of 4 or 5 years we can eliminate the balance of payments deficit." (21 Feb 1983)

"Things are humming. There is even an increase in the number of births." (3 May 1983)

"If I knew I would be prime minister for 6 years, it is quite possible that I would arrange a somewhat calmer work rhythm." (30 Jun 1983)

"All this about being a very rich man with a house in Spain and a Jaguar, that is not me." (28 Jul 1983)

"I am not prime minister to look after Conservative Party interests in the old-fashioned way." (7 August 1983)

"The Conservative Party is so strong today that we have a political obligation to offer to tone ourselves down a little if necessary." (30 Oct 1983)

"I have gone around for some time with an agenda in my pocket that says: After expressing its deep concern about developments in the Social Democratic Party, the Folketing will proceed to the next item on the agenda." (7 Nov 1983)

"We are now close to the turning point and that creates optimism." (24 Dec 1983)

"We must not think that in 2 or 5 years we have solved all the problems so that we can celebrate all the time. Those days will not return." (2 Aug 1984)

"In recent years Danish society has been increasingly characterized by group egoism." (26 Aug 1984)

"If I were to transfer my youthful experiences to the present, I would be politically and philosophically to the left of the Conservative Youth (KU) people." (27 Oct 1984)

"It is true that I am a conservative, but not so much that it matters." (2 Nov 1984)

"If one thinks up fancy political ideologies, I'll be damned if things don't generally turn out that way in reality. Ideology is a lot of junk." (30 Dec 1984)

"Personally I think I am awful on television and I try to avoid seeing myself." (30 Dec 1984)

"We have a tax system that is rotten to the core." (1 May 1985)

"Many of those we see in demonstrations today will be in their own homes 2 years from now." (9 Jun 1985)

"In a population of 5 million there will always be some people who break down mentally and morally when they are confronted with challenges." (4 Aug 1985)

"I think it is exciting to read Karl Marx and Adam Smith, for they are thinkers on a high level." (19 Aug 1985)

"The Conservative Party is a genuine mirror of the Danish population to a greater extent than any other party." (1 Sep 1985)

"We are one of the countries in the western world with the largest debt per inhabitant. We simply cannot permit that." (7 Oct 1986)

"I am definitely not advocating indoctrination. But certain attitudes and values are simply basic to a free democratic society." (9 Nov 1986)

"The krone is firm. That is a fundamental principle for the government." (25 Nov 1986)

"I have seen other parties name crown princes at such an early date that they were worn out before the time came and I don't think we should make that mistake." (6 Nov 1987)

"The Progressive Party definitely cannot be called a middle party." (8 Nov 1987)

"What is wrong with Denmark? Well, I will say this: We are too slow to pull ourselves together—and too quick to relax. We are spoiled, careless and unrealistic." (1 Jan 1988)

06578

### Progress Party Succeeding With Softer Image

#### Party Chairman Describes Growth

36130005b Copenhagen BERLINGSKE TIDENDE  
in Danish 26 Aug 88 Sec III p 1

[Article by Iver Hoj: "Nicer Profile"; first two paragraphs are BERLINGSKE TIDENDE introduction]

[Excerpts] Pia Kjaersgaard has emerged from Glistrup's shadow. Her Progress Party has become so popular with the public that it has started to worry the Conservatives. "But we have not peaked yet," says Johannes Sorensen, national chairman of the Progress Party [FRP].

With Pia Kjaersgaard in the foreground, the Progress Party has definitely emerged from the Glistrup era and is again jockeying for second place in Danish politics. "We have acquired a friendlier image," explains national chairman Johannes Sorensen. But so far the support of half a million voters has produced only about 1,000 new party members.

"Our party officials get a favorable reception everywhere they go. And members who did not pay their dues in 1987 are now glad to pay both the current dues and what they owe from last year. But it is very similar to national soccer teams—many people want to participate when things are going well."

The national chairman of the Progress Party, Johannes Sorensen, has noticed an enormous increase in the party's goodwill around the country. The party's grass roots have again found fertile soil, and the organization that was on the verge of collapse when the party threatened to near the cutoff barrier only a few years ago is now bursting with vitality. And new trees have been planted where old ones had died. Faltering local associations have been restored to life.

#### Half a Million Voters

This is also shown in the opinion polls. The latest one—Sunday's Observa poll in MORGENAVISEN JYLLANDS-POSTEN—gave the Progress Party just as

many seats as the Conservative Party, 27. This represents an increase in voter support for the Progress Party from almost 300,000 in the May election to 500,000 now. The Observa figures sent a shudder through the Conservative ranks.

"One must not allow oneself to be bowled over by polls like this, but we are in agreement that we must now make more of an effort," said Prime Minister Poul Schluter, who made plans after the government's summer meeting at Saunte House in North Sjaelland to challenge the might of Danish red tape.

"The figures indicate a protest because people are under pressure, but it is not because they feel like Progressives. We see the signal and of course the figures worry us, but as far as possible we are pursuing the policies we regard as correct," commented Conservative group chairman Knud Ostergaard.

Johannes Sorensen thinks the prime minister is tying himself in knots when he calls for a fight against bureaucracy—and does not believe it is helping the Conservative poll figures at the moment.

"We have not reached our peak yet. If we behave ourselves—do a good job of selling our policies and avoid stupid mistakes—we can win even more voter support," was Johannes Sorensen's assessment.

#### Flimsy Organization

But there is a risk of becoming a colossus with feet of clay. In contrast to the Christian People's Party, for example, the Progress Party has a very small organization, and the national chairman freely admits that the big voter support level will not necessarily be translated into big membership gains.

"We have 7-10,000 members. I can't be more precise than that because it is up to each local association to keep track of its members. But I know we acquired over 1,000 new members between last September and the summer vacation period. Naturally, the membership figures will not show such big gains as the increase in voter support might suggest, but that is also because fewer and fewer people want to be members of a party."

And, even though the party is now growing into a heavyweight, Johannes Sorensen does not intend to expand the party apparatus.

"I run the national office myself—without a secretary," said the principal of Skibsted School in Skorpning. "I sometimes make use of our Christiansborg secretariat, but otherwise—without being coy about it—we place great emphasis on decentralized work. This means that it is cheap to be a member of the Progress Party without the party's receiving contributions from big organizations. Here in Skorpning, for example, it costs only 40 kroner."



### A Few Decide

Even though membership is cheap, the number of members is unusually small. For example, the Christian People's Party, the Folketing's smallest party with only four seats, has almost 10,000 members. And the national chairman of the Christian People's Party, Flemming Kofod-Svendsen, also sees something unhealthy in the fact that a party like the Progress Party—with a prospect of becoming a real force—has so few members.

"It is a sad development that fewer and fewer Danes want to work in political parties. It is unfortunate for democracy when only a few people decide who is to be nominated and thus appear on the ballot," said Flemming Kofod-Svendsen, who noted that the parties with small membership figures—the Center Democratic [CD], the Socialist People's [SF], and the Progress—are most likely to experience big voter fluctuations.

### No Sages

Johannes Sorensen flatly rejected this. "We represent the ordinary people. For us the Folketing stands for democracy. Unlike others we do not want to bring in figureheads. We do not believe in intellectual rule, and we do not want to elect sages but ordinary people."

And, according to BERLINGSKE TIDENDE's review of the results of the last election, a potential doubling of the number of seats (from 16 to 32) after a new election could mean the election of candidates with a very broad range of job backgrounds. With all the usual disclaimers they could include: a fur breeder, a media consultant, a special teacher, a consultant, a policeman, a civil economist, a farmer, a delivery man, an advertising consultant, a school principal, a jurist, a shop foreman, a trucker, another farmer, a laborer, and a business school graduate.

"We have more control over these gains than we did when Glistrup first entered the Folketing with 28 seats. If we get 40 people in, one or two might not measure up, but most will be good, well-known Progressives."

### Hard Work Punished

Of course the national chairman is happy about the party's success, although he would prefer not to have seen it because he views it as a sign that things are not going well in Denmark. He sees two reasons for the gains:

"The people are on the ropes and they feel they are being deceived by politicians who say one thing and do another. Many party programs are basically all right, but the parties are unable or unwilling to live up to them. And when hard work, initiative, and thrift are punished, there is a reaction. Taxes are forcing people out of their homes and businesses, and it is shocking to hear that there may not be enough money to pay retirement

benefits in the 1990's unless taxes are raised by another 3 percent. In the past it was hard to get people to leave the established parties, but despair has changed that.

"But we have also become better at marketing ourselves. We have acquired a friendlier image—personified by the shift from Mogens Glistrup to Pia Kjaersgaard. And I think we have become better at saying things in a nice way. We do not attack government officials but the politicians who created the need for them. And we do not attack immigrants but the politicians who allowed them to become a problem for our country," said national chairman Johannes Sorensen.

### Nation in Decline

"The terrible thing is that for years we have done so much for underdeveloped countries and others in need. But now we ourselves are becoming a country in decline where firms are forced to give up. This puts us in much too weak a position as we approach the introduction of EC's internal market."

Jorgen Goul Andersen of Aarhus University, associate professor of social sciences, says the government's lack of forcefulness in dealing with the economy is the main reason for the Progress Party's success. "It is disappointment over the government's haphazard policy that makes nonsocialist voters turn to the Progress Party in protest. The Progress Party is profiting from a mood of discontent and a feeling that the politicians can't manage things."

Pia Kjaersgaard has been given the credit for the fact that things are going so well for the party. "But she has also had an easy time of it," said Jorgen Goul Andersen, "because there has not been any real counteroffensive from the other nonsocialist parties."

### Membership Strength Uncertain

36130005b Copenhagen BERLINGSKE TIDENDE  
in Danish 26 Aug 88 Sec 1 p 4

[Article by Lasse Bjerre; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] No one knows exactly how many new members the Progress Party has acquired as a result of the latest increase in voter support.

The Progress Party is storming ahead, according to the polls.

However, the party is unable to say precisely how many new members it has acquired as a result of the gains in the polls. This is because the party does not have a central record of the number of members.

National chairman Johannes Sorensen admits that no one knows the exact membership figure.

"We have no figures on the membership increase we have experienced. The only way we can record the gains is to count the number of applications we receive at Christiansborg," the national chairman told BERLINGSKE TIDENDE.

According to Johannes Sorensen, the party has acquired over a thousand new members since last September. His closest membership estimate is 7-10,000.

"It is quite in line with our spirit that we do not keep central records. We are opposed to bureaucracy. And we have members who do not want to be listed at all. Some of them are worried about being registered," said Johannes Sorensen, who is also chairman of the local party association in the town of Skorpung in northern Jylland.

The national chairman is well aware that some of the local groups report a smaller number of members than they actually have. They do this because part of the dues they collect must be sent to the national organization.

"That doesn't bother me. The local groups need the money—but I don't mean to imply that the national organization doesn't need it, too," said Johannes Sorensen.

The Progress and the Social Democratic are the only parties in the Folketing that do not keep central membership records.

06578

**Group Working To Form Party  
Based on Iceland's Womens List**  
*36130005c Copenhagen BERLINGSKE TIDENDE  
in Danish 17 Sep 88 p 1*

[Article by Susanne Hegelund: "Women To Form Party"]

[Text] A Danish women's party is on the way. Supporters of the idea hope to develop a party program on the basis of suggestions from a number of women who have been moving toward forming a party for the last couple of months.

"We would like to have a more undiluted female influence on the political level," was how one of the sponsors, journalist Charlotte Meldal, explained the formation of a women's party.

"We do not intend to pursue women's policies but to pursue human policies as women, and, therefore, our orientation is neither right-wing nor left-wing," she said and stressed that, as well as emphasizing traditional women's issues like children and daycare, the party will also produce economic and foreign policy programs.

Charlotte Meldal thinks that many of the women in the Folketing do an excellent job. "But things get blocked or watered down so much in the regular parties that women's viewpoints have not been brought out enough," she said.

The women's party expects to start collecting signatures a year from now at the earliest to enable the party to nominate candidates.

In Iceland the world's first women's party has been very successful.

06578

## FINLAND

**July Poll Shows SDP Regains Lead  
From Conservative Party**  
*36170098 Helsinki UUSI SUOMI in Finnish  
22 Jul 88 p 3*

[Text] According to the latest opinion poll, the Social Democrats have recaptured the position of biggest party in the land. The Conservative Party, which had been the biggest party since last spring, now occupies third place since the Center Party has overtaken it.

According to an M Data Center poll conducted for the magazine SEURA, support for the SDP [Social Democratic Party] is now 23.5 percent, 21.6 for the Center Party and 20.9 percent for the Conservative Party.

The figures for the Center Party showed 19.7 percent in an Economic Survey Company poll published in mid-June. The SDP and the Conservative Party were pretty much tied in that poll commissioned by the Center Party.

There is at this time no clear-cut explanation for the SDP's advance, but the opposition Center Party's stretching past the Conservative Party might be due to people's mistrust of tax reform, among other things.

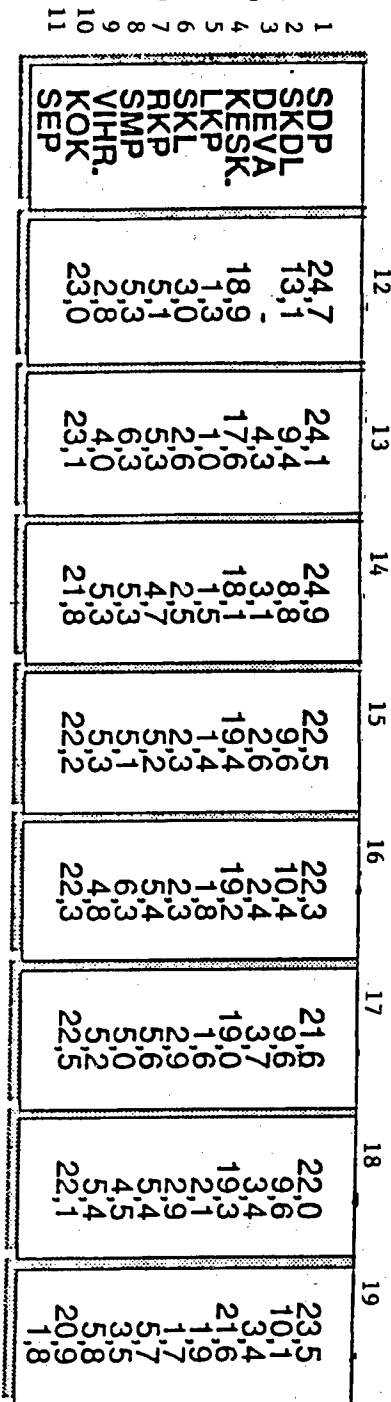
According to a study by the Taxpayers Association, the Conservatives in particular have turned against reform.

### SMP Losing Support

The Center Party's surprisingly high support figures can in part be explained by the fact that SMP [Finnish Rural Party] supporters have switched to the ranks of the Center Party.

According to the poll, the SMP has lost nearly half of the support it had in the last parliamentary elections. At a press conference prior to the party congress, SMP leaders stated that the SMP would be seeking the support figures it had in the parliamentary elections in this fall's local elections.

Local Elections: 1988 Evolution of Party Support (in percentages)



The Finnish Pensioners Party (Suomen Elakelaisten Puolue (SEP)) is now included in the table because it pushed past the Finnish Christian League (SKL) and because in local elections tax reform issues may reflect pensioners' concerns.

#### Key:

1. Social Democratic Party
2. Finnish People's Democratic League
3. Democratic Alternative
4. Center Party
5. Liberal Party
6. Finnish Christian League
7. Swedish People's Party
8. Finnish Rural Party
9. Greens
10. Conservative Party
11. Finnish Pensioners Party
12. 1984 local elections
13. 1987 parliamentary elections
14. January 1988 Economic Survey poll
15. March 1988 Economic Survey poll
16. April 1988 Economic Survey poll
17. May 1988 Economic Survey poll
18. 15 May-10 June 1988 Economic Survey poll
19. May-June 1988 M Data Center poll

The results of the poll published by SEURA are based on interviews conducted in May-June. Nearly a thousand people of voting age were asked which party's candidate they would vote for if local elections were held in the country now and which party's candidate they would have voted for in last year's parliamentary elections.

M Data Center polls have usually to some extent favored the Center Party and the other nonsocialist parties.

#### 'Calm View'

Finnish Center Party vice chairman Olli Rehn feels that the secret of his party's success is the equitable attitude it has toward tax reform and basic security issues. According to Rehn, people have also noticed that the Center Party takes a serious view of environmental issues and that it is a second-wave green movement.

However, Rehn said of the results of the latest opinion poll that "there are reasons for taking a calm view of them so that the heat does not go to our heads."

"We must not concentrate our energies on the local elections this fall jubilantly and triumphantly, but humbly, focusing the voters' attention on everyday issues."

If support for the Center Party remains at the level of the latest figures, it will, in Rehn's opinion, provide pressure to advance the party's demands for changing the course of government policy.

"The Center Party must now get more energetically involved in alternative political action than it has been up to now."

## FRANCE

**Poll Reportedly Shows Voters' Real Intentions**  
35190102 Paris L'EVENEMENT DU JEUDI in French  
4-10 Aug pp 6-7

[Article by Serge Maury: "Voters Deal With True Political Divisions"]

[Text]

### A Cruel Verdict for the Ayatollahs

Labels like the Socialist Party [PS], the French Democratic Union [UDF], or the Rally for the Republic [RPR] do not mean much anymore. A voter who votes Socialist

does not know whether he is casting his ballot for a former Trotskyite revolutionary, a Social-Democrat, or a simple left-of-center Liberal. If he votes for the UDF, it is impossible to tell whether the candidate is actually a middle-of-the-roader, a Conservative, an open-minded Liberal, or a reactionary Liberal.

EVENEMENT DU JEUDI asked the CSA Institute to conduct an unusual poll. We wanted to know how the voters would vote when given the choice of lists that reflected today's actual political divisions.

The results were surprising and may cause some gnashing of teeth:

### Social Democrats Lead

Political Divisions	Percent
Far Right candidate, backed by Jean-Marie Le Pen	7
RPR candidate, backed by Jacques Chirac and Alain Juppe	18
Rally of Progressive Gaullists candidate, backed by Philippe Seguin and Michel Noir	5
Liberal and Conservative Union candidate, backed by Valery Giscard d'Estaing and Francois Leotard	11
Center Union candidate, backed by Raymond Barre and Pierre Mehaignerie	—
Ecologist candidate, backed by Antoine Waechter	5
Progressive Republican candidate, backed by Jean-Marie Rausch	3
Social-Democratic candidate, backed by Michel Rocard and Laurent Fabius	24
Socialist candidate, backed by Pierre Mauroy and Lionel Jospin	11
Reform Communist candidate, backed by Pierre Juquin	2
Communist candidate, backed by Georges Marchais	5
Far Left Candidate, backed by Arlette Laguiller and Alain Krivine	1
TOTAL	100
Abstentions, blanks and voids, no opinion	30

Technical Information: This exclusive CSA/EVENEMENT DU JEUDI poll was conducted from 26 to 28 July 1988 among a representative national sample of 992 persons 18 years of age or older using the quota method (sex, age, socioprofessional category of head of household), with stratification by region and population density.

On the left, the Rocard/Fabius Social-Democratic wing soundly trounced the Mauroy/Jospin Socialist wing. Modernizers beat the traditionalists by over two to one.

The Communist Party actually was a fringe party, which confirms that its apparent gains in the legislative elections were partially due to record abstentions, but mostly to the impact of local politicians.

On the right, Chirac's RPR held its own, even when stripped of its reform-oriented wing. It made up for its losses on the left with gains from the National Front.

In contrast, the Giscard/Leotard UDF fared poorly without its middle-of-the-road component. Indeed, the great Liberal-Conservative party only received 11 percent of voter intentions, while the various middle-of-the-road groups, whether lead by Barre, Seguin, or Soisson, garnered 16 percent.

When we kept to the traditional division between opposition and majority, we found that the majority beat the opposition by 51 to 49 percent. However, when the choice was between the right, the center, and the left, percentages were as follows: right, 36 percent; center, 16 percent; left, 43 percent, plus 5 percent for the ecologists. When the political spectrum was broken into four main groups, the right received 36 percent, the left 19 percent, the center left 27 percent, and the center right 13 percent.

In and of itself, the center group, ranging from Social Democrats to progressive Gaullists, accounted for 40 percent of voter intentions.

When the results of our poll are compared to those of the last legislative election, it can be seen that, of those who supported the "presidential majority" in the primary elections, 50 percent were Social Democrats, 6 percent were somewhere in the center of the political spectrum, 7 percent were ecologists, and only 27 percent were authentic Socialists. In contrast, Chirac's RPR alone accounted for 44 percent of URC voters.

27 Percent of Majority True Socialists

Voter Intentions in the Event of Legislative Elections With Communist Party Presidential Majority URC National Front New Lists

Far Right candidate (Le Pen)	—	—	3	54
RPR candidate (Chirac, Juppe)	—	—	44	13
Progressive Gaullist candidate (Seguin, Noir)	—	2	6	4
Liberal and Conservative Union candidate (Giscard, Leotard)	—	1	19	6
Center Union candidate	—	—	—	—
(Barre, Mehaignerie)	—	2	13	5
Ecologist candidate (Waechter)	5	7	2	4
Progressive Republican (Soisson, Rausch)	—	2	2	1
Social-Democratic candidate (Rocard, Fabius)	5	50	2	2
Socialist candidate (Mauroy, Jospin)	6	27	—	—
Reform Communist candidate (Juquin)	17	1	—	—
Communist candidate (Marchais)	51	—	—	3
Far Left candidate (Laquiller, Krivine)	—	1	—	—
Abstentions, blanks and voids, no opinion	16	7	9	8
TOTAL	100	100	100	100

A week prior to this poll, we conducted a first poll which did not include the Center Union. This poll sheds light on the origin of this specific middle-of-the-road group of voters.

Out of the 8 percent of voter intentions it received, 2 percent were taken from the RPR and 6 percent from the UDF. In contrast, it gained nothing from the left or its allies.

Our First Poll

Political Divisions	Percent
Far Right candidate, backed by J.-M. Le Pen	7
RPR candidate, backed by Jacques Chirac and Alain Juppe	20
Rally of Progressive Gaullists candidate, backed by Philippe Seguin and Michel Noir	5
Liberal and Conservative Union candidate, backed by Valery Giscard d'Estaing and Francois Leotard	17
Ecologist candidate, backed by Antoine Waechter	5
Progressive Republican candidate, backed by Jean-Marie Rausch	3
Social-Democratic candidate, backed by Michel Rocard and Laurent Fabius	25
Socialist candidate, backed by P. Mauroy and L. Jospin	2
Communist candidate, backed by Georges Marchais	5
Far Left candidate, backed by Arlette Laguiller and Alain Krivine	1
TOTAL	100
Abstentions, blanks and voids, no opinion:	32

Technical Information: This exclusive CSA/EVENEMENT DU JEUDI poll was conducted from 20 to 23 July 1988 among a representative national sample of 992 persons 18 years of age or older using the quota method (sex, age, socio-professional category of head of household), with stratification by region and population density.

This means that the indecisiveness of Center of Social Democrats [CDC] leaders has already caused a considerable number of traditional middle-of-the-road voters to go over to the presidential majority. It is worth noting that a united middle-of-the-road list—even one of candidates lacking national stature—would already get 3 percent of the vote, or half that of the far left.

Three important lessons can be learned from this poll:

1. RPR voters are still solidly right of center, and it is unlikely that Philippe Seguin and other reformers will be

able to change the orientation of a party whose sociological base has become very conservative. The true Gaullists seem to have lost strength as a political power by dividing themselves between the left and the center, when they have not disappeared altogether.

2. Today, Socialist Party voters who are staunchly left-wing and cling to the traditional Socialist tenets and traditions represent a very small minority. Although the Socialist Party received 11 percent of voter intentions when led by figures of the caliber of Mauroy or Jospin, one can imagine how well it would do if headed by Jean Poperen or the Center for [Socialist] Studies, Research, and Education [CERES].

3. The great Liberal Conservative party envisioned (each after his own fashion) by Valery Giscard d'Estaing and Francois Leotard represents only a very small minority and would have no chance of carrying the elections without considerable support from the center.

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## NETHERLANDS

### Van Mierlo, Kok Comment on Current, Future Coalitions

#### Van Mierlo Attacks Cabinet

36140024 Amsterdam DE TELEGRAAF in Dutch  
2 Jul 88 p 23

[Interview with MP Hans van Mierlo by Emile Bode, published under the title: "The Present Coalition Isn't Working Any Longer"; date and place not given; first four paragraphs are DE TELEGRAAF introduction]

[Text] In 1967 Hans van Mierlo, a lawyer, was one of the youngest parliamentarians. In 1988 he belongs, at the age of 56, to the veterans. Jokingly he is called the "wondergramps," because in 1986 he alone saved his party from the umpteenth downfall, like a risen Lazarus, by becoming the party's leading candidate in the elections. The return of an obviously indestructible politician yielded nine seats in the Second Chamber, and the D66 [Democrats'66] is again a small influential party.

Van Mierlo is a man of contrasts. He is called the best speaker in the Second Chamber, and he is at the same time described as a skeptic who is accused of being vague.

In this interview, the "Godfather" of the D66 does not mince his words on the matters of forming power blocks and coalitions.

The Hague—"Faith in politics has really gone down enormously. The people make up their own minds much more. In the way of 'every man for himself and God for us all.' Politics is only interesting, if there is an exciting power play going on in the Chamber. Then people want to know the outcome."

Van Mierlo lights his umpteenth cigarette, shifts in his chair, and lets his thoughts roam: "That waning faith is strengthened by the careless attitude of this cabinet, which angers people. Take the reduction of student loans. I have nothing against economizing in itself, but the way in which the cabinet economizes is totally irresponsible. The government doesn't take the time to think out proper regulations. It shows a certain disdain for people's everyday life. A government which is not caring toward its citizens, cannot expect those citizens to be caring.

### Desperately Defending Himself

"It all has to do with power, and that is what the D66 wants to change. Two years ago everybody spoke scornfully about our different way of managing politics, but what does one see now: in the Second Chamber, there is often talk of how power is being used. Numerous ministers, from student loans to the passport affairs, have been raked over the coals in Parliament, because they misuse power. Still, one minister after another tries desperately to defend himself. All ministers let the moment go by, when they were still able to leave office honorably. During the passport debate, I said to State Secretary Van der Linden: It is not forbidden to resign.

"There is something wrong with the way of thinking in this cabinet. The coalition is no longer working. In 1981 in my capacity as defense minister I visited the then Chancellor Helmut Schmidt. At that moment there were enormous tensions in his coalition. At the end of a very important meeting I talked with him. Schmidt told me: 'I have counted up all the advantages and disadvantages, and I have come to the conclusion that the coalition no longer works. From now on we can only create difficulties. The creative thinking is gone. To go on means impotence and degeneration.'

"Now, I very often have to think back to those words. From the beginning Lubbers has had the wrong people around him. One can see that the internal balance is disturbed. This is nothing to be ashamed of when you have worked together for such a long time, but if things don't work any longer, then quit! I think that a real statesman is a person who is also willing to relinquish power. This cabinet is in the same position as a dried-up well. When that happens the wizards' come, and beat the rocks to see if they can still squeeze out a drop of water. But that hasn't happened since Moses' time. And then, when no water comes forth, they start beating each other. This is the process that is now taking place in this cabinet."

[Question] The opinion polls taken are so negative that it is neither advantageous for the CDA [Christian Democratic Appeal], nor for the VVD [People's Party for Freedom and Democracy] to create a split now, isn't that so?

[Answer] That is the reason why in my pessimistic estimation, this cabinet will continue as long as possible. They will try their utmost to totter along. That is a pity, but that is how it is with power. Power alone is the sole rejuvenator of itself, and that is why it is not happening.

[Question] What has to take place in the next election, according to you?

[Answer] I think, that one must begin to entertain the thought that there can be a coalition without the CDA. Mind you, I don't despise the CDA. I find it very natural that they, as a center party, often participate in power sharing; my greatest objection is the matter-of-course

manner in which they rule. That is the fault of the PvdA [Labor Party] and VVD. Those two parties stand opposite each other in a totally old-fashioned way, the one to the left and the other to the right of religion, which gives the CDA the choice as to which of the two it wants to govern. The PvdA and the VVD on the other hand only have one choice. That is the reason why just as in the Soviet Union, one party has been in power since 1917. Power in itself is not bad, but the matter-of-course manner in which power is used is bad.

[Question] It is very easy for the PvdA, VVD, and D66 to change that situation.

[Answer] But before the PvdA and VVD get to that point. Both of them are in a position, in which they beseechingly look up to the party that will throw them a crumb. The attitude of the CDA is, for the most part, determined by the fact that they can always be certain that another coalition is not possible. Look here, the PvdA and VVD say that it is theoretically possible to form a cabinet without the Christian Democrats, but nobody really believes that. That is why there is a task for the politicians to make the notion conceivable to the voters that these two parties indeed can form a coalition, and I will certainly speak to the PvdA and VVD-Party leadership about it.

[Question] In that case, which coalition would you prefer?

[Answer] I would love it, if it were really possible, to put a good platform together in which the PvdA, VVD and D66 are joined. If a coalition cabinet with the CDA is formed after all, then I do hope that the PvdA and the VVD join. But that possibility would be my second choice, right after the other coalition cabinet I mentioned.

[Question] Will you still be part of it in 1990?

[Answer] In principle I will again be available as a candidate of my party, and I will also be available for a post in the cabinet.

[Question] They will have to haul you away from your job here.

[Answer] No, not at all, but I presently have the feeling that I can't leave things half done. That hurts my pride. [end of answer]

There are three things which Van Mierlo thinks are of essential importance. They are: more attention to education, environment and government investments in infrastructure. He explains this last point: "Economically our country seems to be doing quite well, but appearances are deceptive. The Netherlands is headed for difficult times. There is the threat that we are going to lose our central position in Europe. You can see the economic activity shifting to the centers Munich-Lyon-Marseille-Milan. A tunnel under the Channel as well as 'the super-fast train,' the TGV, are being built. Within three years there will be

a super-fast cargo rail connection from Hamburg to Munich. Our geographical position in Europe is momentarily still in our favor, but that will soon be over. There will come a time when businessmen will say: I get my goods quicker when they are shipped from Hamburg, rather than from Rotterdam. That is the reason that we must invest enormous sums of money in the promotion of public transportation, in tunnels, bridges, roads and railroads in order to hold on to our position.

But what do we see? This government is digging its heels in, concerned over the just cause of lowering the budget deficit to which all other problems are subordinate. That deficit must come down, so that the next generation will not be saddled with our debts, the cabinet says. In reality the threatening loss of our geographically favorable position in Europe is the deficit of the future. At present the government is begging private financiers to put up funds for investment in the infrastructure. The green light to start work on the tunnel connection through the Westerscheldt, has still not been given, because of quarrels over a couple of million guilders. All new actions run aground, because the cabinet has completely fixed its attention on other matters."

The tragedy of the D66: The public is sympathetic toward the party. The D66 is called the biggest second-choice party. The party is accused of being obscure in defining its positions just as much as the other parties. Although Van Mierlo is viewed favorably, in the end the public does vote for the PvdA, CDA, or VVD, because, as is said, the D66 can't change the ruling power anyway.

Says Van Mierlo: "What we have to say, are not simply slogans. It is, therefore, often difficult to convey our message. History shows repeatedly that reformers have a choice between words and weapons. If you, as the D66 does, refuse weapons, then there is only one other way to make clear on how the state should be run. On the other hand, I still think it quite an achievement, that in this country with its deep-seated tradition of a three-major-party system, our party has succeeded in remaining a major opposition party for all these 22 years."

#### **Kok on Possible Coalitions**

36140024 Amsterdam DE VOLKSKRANT in Dutch  
2 Jul 88 p 17

[Interview with MP Wim Kok by Arendo Joulstra and Jan Trom: "The Labor Party Does Want To Rule, but Not at Any Price"; interviewers not identified by question; date and place not given; first paragraph is DE VOLKSKRANT introduction]

[Text]

#### **Leader of the Opposition**

Wim Kok never shivers when thinking that he could be prime minister in the near future. The PvdA [Labor

Party] realizes quite well that he, Kok, will have to play a "dominant role," if after the elections there should be a coalition in which the PvdA is a participant. The PvdA must remain visible in a [coalition] government, says Kok. "If a left-of-center cabinet has to govern with an insufficient left-of-center policy, it is the PvdA which is going to feel the drawbacks in such a situation, and not the right-of-center party." Kok talks about watching the [Final World Championship] soccer match, about ruling, [Prime Minister] Lubbers, and the PvdA.

We'll start off with the least political topic. Last week Wim Kok flew on a free ticket to Hamburg, to watch the soccer match between the West German and Dutch national teams. The pilot had to go in that direction anyway, was the official explanation given. Letters to the editor poured into the newspaper offices, reading like: the high and mighty gentlemen, Kok among others, had things nicely arranged by and for each other. The 'old boy network' syndrome was in full swing.

Says Kok: "I never said that the pilot was going just by chance, in the direction of Hamburg. I thought the answer that Lubbers gave was stupid. Just say that this is an important sports event, that the government should be represented, and that it stands to reason, therefore, that a few parliamentarians go along. And moreover, say that it was an inexpensive, short trip." But don't say that an airplane just happened to go by that place anyway. Then the public's logical reaction will be: 'Next time when I take the train I won't pay, because the train has to go in that direction anyway.' As a matter of fact, that match was very enjoyable."

[Question] What has been a letdown in the public's eyes, is the fact that you also let yourself be sucked into going along on this trip.

[Answer] Is that so? Maybe that thought came up, because of the idea that questionable actions did take place. I flew back very properly; nothing happened that I have to be ashamed of.

[Question] Everybody in the country would have liked to have been able to fly to Hamburg; but in these cases, again the high and mighty are the lucky ones.

[Answer] Jan Schaefer is the one who told me how angry the people were during the World Championship matches in 1974, when the complaint was that no government representatives attended. For many years the politicians didn't care a hoot about the performance of the Dutch national soccer team.

Yearly politicians are expected at hundreds of functions. At many of them most people wouldn't even want to be present, not even if they were paid to do so.

Speaking for myself, I must say that I attended the soccer match in Hamburg without self-sacrifice. You hear stories from people who, in an almost choking voice, would much rather have drunk their after-dinner coffee at

home. But then the story goes on to say, that the duty of a parliamentarian weighed heavier. I don't care very much for that kind of story.

[Question] Are these little outings necessary to keep in mutual contact? Saturday, during the return flight from Munich, you were sitting right next to Lubbers. Did you talk politics?

[Answer] Well, there are of course a lot of people sitting around you.

[Question] Not the entire time, though.

[Answer] Well, of course, you don't talk about soccer the entire four hours; there are limits. It is a good opportunity to go calmly once again over Dutch politics. But you shouldn't expect spectacular results from those talks. And as far as results should happen to come about, they aren't for publication.

#### Bad Dream

The question is asked if Wim Kok sometimes wakes up in the middle of the night from a bad dream, and then, peering in the dark, mumbles to himself: "You, the next prime minister? You don't say, you aren't ready for that by a long shot." No, the leader of the opposition, strangely enough, isn't at all bothered by that question. With the ironic smile, which is typically his, he says: "During the night I never wake up startled from such a dream, at most sometimes during the day."

If the PvdA in the coming elections becomes the biggest party, and if the party is going to join in a new coalition (neither of these presumptions is unfounded) then Kok will be ready to assume the premiership.

He admits it himself. Even though he has been in politics for nearly two years. Says Kok: "It is always a little presumptuous to say that about yourself, but I would like it. I very much want to make the party into such a big party, that we can realize our responsibility as government policy as well. I am enough of a realist to know, that my part in that situation will be a difficult one." Thus, an interview with the future prime minister of the Netherlands. The leaders of the first Kok-and-partner cabinet. The Kok-Lubbers cabinet? Not likely. Or Kok-Voorhoeve? That cannot be excluded. Kok-Van den Broek? That would be very nice.

Kok despises these kinds of speculations. He is probably too serious for this. However it may turn out, nobody is being vetoed, not at this moment. Deetman isn't being vetoed, neither is Ruding, not even Van Eekelen, against whom the PvdA submitted a motion of no confidence earlier this year.

Kok says that he wouldn't accept the opposition's stance either, if they should exclude some of his party's members. After all, the problem of persons not up to the task,



trying to push themselves into a slot will probably not even come up. Says Kok: "You don't have to be among the politically initiated to see now already, that a number of ministers have not only a bad name with the opposition, but in their own parties as well."

#### Pondering Names

At this moment at least, no names will be vetoed. It is interesting, though, that the next prime minister, during the period of forming the cabinet, definitely claims the right to ponder names, and not find them to his liking.

Says Kok: "I think that in the final phase, when matters of political substance have been settled, and the distribution of departments comes up, we'll have to talk about persons. It is at that point, when parties also carry out their first responsibility; they propose their own members. But it must be possible to come to a mutual evaluation of candidates, and to have a political discussion about that."

[Question] Do you want it this way, so that you don't get saddled with a candidate, the way Lubbers suddenly got saddled with a politician like the VVD [People's Party for Freedom and Democracy] member Van Eekelen in 1986?

[Answer] Well, I have always been amazed that the cabinet, in mid-July 1986, had to function right then and there. They insisted on beginning on 14 July; it couldn't wait until 16 July. At a time when most important appointments were at stake, however.

[Question] What is happening to Lubbers? He threatens the Second Chamber with creating a crisis. Last week, in an interview with his own CDA [Christian Democratic Appeal] party organ, he degradingly called the parliamentarians "blighters". What do you think is wrong?

Says Kok: "He has to lead a group of ministers who are increasingly becoming hamstrung. That paralyzes a person who is a doer, an achiever, and one who likes to develop plans. Since 1982 he has built up a following, and then you see how the cabinet slides more and more into a downward spin. That can only have a negative effect on a prime minister who, whatever you may think of his political views, doesn't like to cut corners. I think that the cabinet from now on will be busy only with conflict-management; it remains to be seen if there is time to put together a new policy."

[Question] Is Lubbers no longer able to turn the downward spiral upward again?

[Answer] I don't think so. I think that this coalition is going further downhill. I only see one direction. I think, that both the lack of trust and the lack of political cohesion between the CDA and VVD has now left such deep marks that going back to happier times is no longer really possible.

Kok is in the opposition; one shouldn't forget that. It is his job to paint a bleak picture. But the fact remains that, after the short-lived euphoric upswing around Easter, the cabinet is again in a mess. It is true that a beginning has been made with the new Social Health System introduced by Minister Dekker, but both the CDA and the VVD have loudly made clear their fundamental differences.

From his room at the Binnenhof [medieval court surrounded by parliamentary buildings in the center of The Hague] Kok looks straight onto the work chambers of Prime Minister Lubbers. He says: "I no longer hear much exultation coming from the Little Tower [the prime minister's quarters]."

[Question] Were you surprised that Lubbers again announced himself as the leading candidate of the CDA Party in the coming elections?

[Answer] The moment he chose was especially surprising. Presently, halfway into the four-year period, Lubbers is clearly changing roles from that of prime minister to that of leader of the party. This is remarkable.

[Question] He must have thought it necessary.

[Answer] It is more than obvious that that was necessary. I don't think that you pull that kind of trick, as the leading man in the coalition, any sooner than you have to. Obviously Lubbers needed the announcement of being the leading candidate in the elections to outline again his position in his own party. It also means that his position has changed. He has changed from being the prime minister, who stands above the parties, to being the leader of the CDA. I call it: from statesman to party man.

#### Eagerness To Take Part in Government

And the PvdA? Is the Labor Party going anywhere? It seems to yearn to be the ruling power. The forceful pull to the center, the careful attempt to avoid giving offense are signs of this yearning. It has been more than ten years now, since the PvdA participated in the government for an extended period.

Wim Kok doesn't like this talk about the center, and the yearning to rule one bit. That is still very much in evidence. Soon "the weighing of the outcome of the negotiations" as Kok calls it, will be the main concern. He means to stress the warning against the eagerness to take part in the government.

Kok: "The question is whether there is a sufficient basis for an identifiable left-of-center policy in the near future. A cabinet, in which the Labor Party is not only visible in numbers, but also visible politically. To me that is crucial. I am not the type to ease up beforehand, and overlook things because ruling is so all-important. No, there will also be a time after the elections."

[Question] Do you mean to say that, as far as you are concerned, the PvdA can be the opposition party once again?

[Answer] Well, now, don't overdo it. Turn the question around. How responsible would I be, as the party's leader, if I would advise taking part in a cabinet in which, in view of the negotiations, the PvdA could expect too little?

[Question] Three million PvdA voters will become frustrated, if the party's success once again caused it to be the opposition party.

[Answer] If a center-left cabinet has to govern with an insufficiently center-left policy, the PvdA will experience the disadvantages of such a position, and not the party right of center. The most important thing is to form a clear, realistic election platform, and next comes the question of how much of that platform can in fact be realized. We want very much to rule, but not at any price. To rule is a means."

[Question] The government may be paralyzed, the PvdA still seems to be barely moving. The strategy report which everyone has been looking forward to for such a long time, has not filled the party with enthusiasm. It hasn't even offended them.

[Answer] I don't know about these reactions. The strategy report came out only two weeks ago. All the members could do was, to stuff it with their camping gear before going off on vacation.

[Question] The policies don't seem to reflect that which preoccupies the people. The report doesn't make an impression, and it doesn't provoke either. As an example: the report states that the party culture, which is turned inward, has to be changed. It states this in a way that will not disturb the party bosses.

[Answer] I object to that, I definitely object to that. It is my experience that a lot of people, members and party executives, are working in an exceptionally active and motivated manner. I don't want to give the impression that we have to clean house. We have to work together.

[Question] Yes, shortly they have to start circulating fliers, which read: Vote for Wim Kok!

[Answer] No, that is nonsense, it doesn't concern grassroots. It concerns people, who in their local situation have to carry on politics in a much more vulnerable way than we, who in our lofty seats in The Hague are busy pontificating.

I'd rather enlist people's commitment, than kick them in the shins from an exalted position. Stressing the distinctive party line, that's fine; provocation, okay. But I'm not going to step on the toes of well-meaning party members.

## PORTUGAL

### **Poll: Government Maintains Support; Soares Loses**

35420133 Lisbon *EXPRESSO* in Portuguese  
27 Aug 88 pp 1, 3

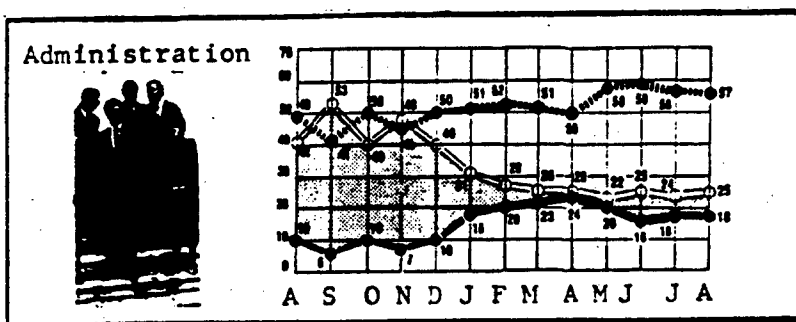
[Text] Mario Soares' popularity reached its lowest ebb since the summer of 1987 when he lost 13 percent in favorable opinions during the past 2 months. This was revealed by the August poll of the *EXPRESSO*/Euroexpansao survey sample.

The President of the Republic fell by 6 points in August, giving him a current favorable rating of 62 percent. Inasmuch as the president's approval of the government's most recent legislative measures did not generate controversy, and since Soares benefited from the popular impact of his trip down the Douro, credence is being given to the possibility that the decline in the president's popularity might be due to his involvement in the polemics that have surrounded the governing of Macao. The coming months will show whether this loss of favorable standing is tending to worsen, or whether Mario Soares can manage to reverse this negative trend.

The prime minister, for his part, remains at 45 percent, and it seems that opinions about him have stabilized after a gradual and steep decline that began at the end of last year. Right now Cavaco Silva is about twice as popular as his administration (25 percent).

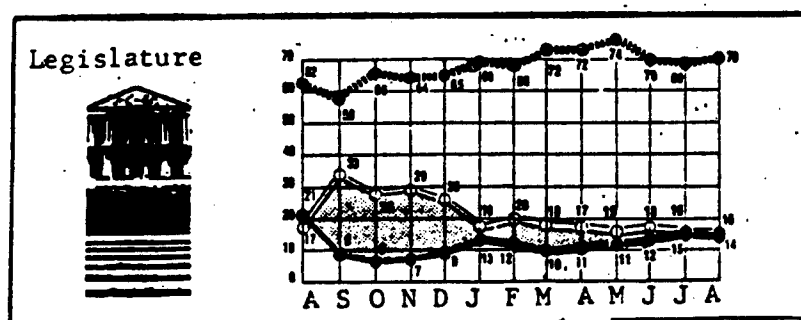
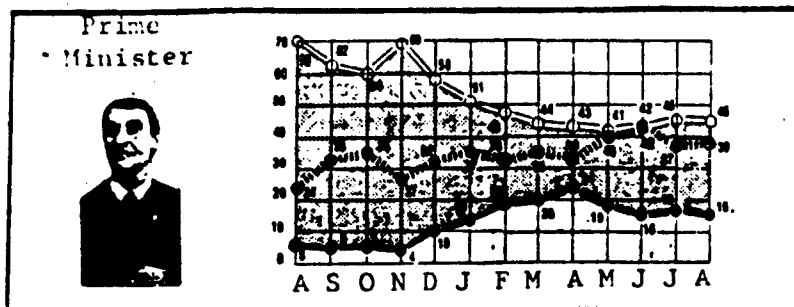
The poll also indicates that the PSD is increasing its lead over the PS, which, expressed in terms of voting intentions, was less than 6 percent 2 months ago and has risen this month to 14 percent: the Social Democrats have 41.9 percent and the Socialists 27.9 percent. The percentages of all the other political parties remain at a very modest level: the CDU at 5.3 percent, the CDS at 3.8 percent, and the PRD with 3.6 percent. Abstentions were 16.7 percent.

On the other side of the aisle, the survey of popularity of the opposition leaders showed that Vitor Constancio has improved his image and continues to be the only one with a positive margin. Curiously, Alvaro Cunhal has overtaken Freitas do Amaral, leaving the centrist leader in last place in the popularity contest.



○—○ Very good /good    ●—● Poor/very poor    ●—● So-so  
 Positive

[Caption top graph] Mario Soares falls 13 points in 2 months and reaches his lowest point in popularity for the past 12 months. Will this decline become more severe in the coming months? [Caption bottom graph] The administration's image has been unchanged since January, and has not varied with either the summer holidays or the periods of more intense legislative activity. Only 1 out of every 4 Portuguese regards its performance favorably.



○ Very good /good    ● Poor/very poor    ● So-so    ~~Positive~~ Positive Margin

[Caption top graph] After having fallen early in the year from the levels of 60 and 50 percent to the 40 percent bracket, the prime minister appears to have stabilized the shifts in opinions about him. [Caption bottom graph] After the positive image that it presented during the months that followed the elections of 19 July, the Parliament has once again fallen to fairly modest levels of popularity and is generating a high percentage of so-so responses.

## SWEDEN

### Environment Party Leader on Program, Tactics in Riksdag

36500169 Stockholm DAGENS NYHETER in Swedish  
1 Sep 88 p 6

[Interview with Environment Party founder Per Gahrton by Ake Ekdahl: "The Gray Eminence Behind the Environment Party"; date and place not given]

[Text] Ask Per Gahrton who really runs the Environment Party, who directs the party's policy, and whether he intends to step into the spotlight after the election if the party gets into the Riksdag.

Then you will meet a party fox, probably the first and only one to look at the floor and blush like a shy schoolgirl.

"I am just an ordinary Riksdag candidate from Stockholm County," he says evasively.

Gahrton stubbornly defends himself against being regarded as the true leader and strategist of the Environment Party, but that misconception is strengthened by everything he says and does. The two spokesmen are nothing more than their titles imply, namely transmitters of signals that come from somewhere else.

### Strongest Card

It has been 8 years since Per Gahrton returned to politics and wrote his memo to environmentalists around the country, some of whom later formed the new party in 1981.

"Since then our strongest card has been the absence of a special party leader. We do not run any risk that a party leader will make a fool of himself and drag the whole party down in the mud. We do not stand or fall with a party leader. Those of us who speak for the party can make mistakes without hurting the entire party," Gahrton said in explanation of the philosophy behind the Environment Party's "lack of personal liability." It will stay that way in parliament too. No party leader will be appointed; the person who becomes spokesman after the election will not serve in the Riksdag, too; no strong man in the Riksdag will be elected as group leader. Collective leadership will apply in the Riksdag, too. An extra party congress will probably be held after the election. The party will decide the details then, Gahrton said.

On Wednesday Per Gahrton spent the whole day with high school students and immigrants in Nynashamn. He had no script but brought many environmental publications along with him.

"If you don't believe me, you must for God's sake trust experts like Bjorn Gillberg, who says the Environment Party is the best. Gillberg would make a good environmental consultant in any government," he said.

### Pollution

He presented a simplified message. The Environment Party has won universal recognition as a pioneer in the environmental struggle, with the exception of Riksdag Speaker Ingemund Bengtsson, but he will be gone soon, Gahrton told the high school students.

It is hard to tell if Gahrton adapted his speech for the young audience, but he referred to environmental pollution and waste as "shit" at least seven times in 40 minutes. A kind of verbal pollution.

"Moderate consumption, moderate production, more human labor, stricter limits on energy consumption, new ways to calculate GNP. If one sees matters from the Environment Party's point of view, the economic figures will add up, too.

"The way national economists calculate GNP is crazy. In their eyes a major car accident is a bonanza. It calls for a new car, medical care, police work, and so on, which all produce pluses in the GNP."

In addition to environmental policy, the power-hungry and corrupt politicians in all the old parties are the other mainstay of Environment Party policy. The politicians care most about their own power and privileges, Gahrton claims.

"A Riksdag member receives 18,111 kronor in monthly wages. On top of that he gets a substantial expense allowance. Riksdag members do not compare their wages with what their voters are paid but with what American presidents get, and then 18,000 is shit," said Gahrton with emphasis on the last word.

The Environment Party's Riksdag candidates have promised to turn half their expense allowances over to an environmental fund if they are elected. At least most of them have now done so prior to the election.

"But won't it be hard to recruit good politicians to run for the Riksdag and do other jobs if they get no compensation?" a student wondered.

But that doesn't seem to worry Gahrton, even though the plan to donate expense funds gave the party congress in Uppsala a hard time.

### Lengthy Ballots

How would Gahrton vote in the Riksdag? What about the Social Democrats' 6-week vacation? "Cutting the time wage earners work is a good idea, but a 6-hour day would be better." What does he think of the Social Democratic election promise to provide parental insurance? "It's okay in general." How about the nonsocialists' proposal to sell off state-owned enterprises? "No,

never!" What about the funds? "Not a single krona should be paid into public savings. Invest the money in local funds. That would be good for small businesses."

One thing is clear. There will be lengthy ballots in the halls of the Riksdag with the environmentalists there.

"But there will not be chaos and general confusion," promised Gahrton, who has absolutely no desire to be regarded as anything but an ordinary everyday member of the Riksdag.

06578

## DENMARK

### Civil Defense Officials To Study Chemical Warfare Readiness

36130007d Copenhagen BERLINGSKE TIDENDE  
in Danish 3 Sep 88 p 5

[Article by Ritzau News Agency; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] On the basis of a TV news program aired Thursday evening, the Civil Defense Agency will investigate its preparedness against poisonous substances.

The Civil Defense Agency will now [conduct a] study [of] whether improvements can be made in the preparedness against chemical catastrophe.

The study will take place before Civil Defense Director Ole Forsting meets with Interior Minister Thor Pedersen (Liberal Party) during the next 2 weeks, Forsting told Ritzau News Agency.

He spoke with Pedersen on Friday, after the Thursday evening TV news program uncovered a number of serious gaps in that preparedness that should protect the citizens from the consequences of a chemical catastrophe.

"We will now take a look at that program," said Ole Forsting.

The improvements that can be discussed could take place within the ranks of the Civil Defense. But, for the most part, the shortcomings disclosed by the TV program were in the readiness of hospitals. And hospital readiness is the county's responsibility, he pointed out.

Interior Minister Pedersen said that readiness in certain areas could be better. He now also wants to take a look at that program "to learn from it." He basically would like to use the program for learning.

"The TV program should also cause the employees at hospitals, for example, to ask themselves, 'What do I know about readiness?' And politicians should also be sure that knowledge about readiness is available," said Thor Pedersen.

In 1985 Civil Defense sent out guidance to the counties about readiness against accidents with dangerous substances.

"Some counties are further advanced in their preparedness work than others," said Forsting, but he did not believe that things are as bad with respect to preparedness as the impression created by the TV program. Copenhagen especially can handle accidents better than was depicted.

He said that the Civil Defense Agency has distributed some special cards that tell how to fight accidents involving different chemicals. These cards are found in fire stations, firefighting vehicles, and other places. The cards can eliminate doubt about how a chemical catastrophe is to be fought—for example, with water or foam, as was pointed out in the TV program.

9287

### Danish, UK Generals on Reinforcement Capabilities in War

36130007c Copenhagen BERLINGSKE TIDENDE  
in Danish 9 Sep 88 p 4

[Article by Nils Eric Boesgaard: "Danish NATO Chief Relies on British Reinforcements"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] "We are strong enough to ensure the landing of NATO reinforcements, assuming the politicians give us permission," said Lt Gen Bent Erik Amled, commander of the NATO Unitary Command in Karup. "We can be here in 5 to 6 days," added the British general.

The British reinforcement force, United Kingdom Mobile Force or UKMF, will be prepared to come to Denmark as reinforcements in a war situation as long as it is needed, said Gen Amled at a press conference yesterday in Ringsted.

### Rejects New Evaluation

Gen Amled denied that the hesitation of Danish politicians to give more money to the Armed Forces would force the British to reevaluate the reinforcement agreements.

"There can be adjustments, and it could happen that Denmark, as the receiving nation, will take over a larger share of the supply services, but I have no doubt that we will be able to rely on them for a long time in the future," answered the general.

"The Danish Armed Forces are strong enough to be able to ensure the British landing, assuming the politicians listen to our advice and give the orders to call for the reinforcements in time," he added.

### Consideration for the Civilian Population

The chief of the British troops, Brig Gen David Thomson, stated that the transport of the 10,500 British soldiers and their 3,500 vehicles took from 22 August to 6 September.

But that was taking all possible consideration for the Danish civilian population.

"Had this been a really serious event, we could have been here in 5 or 6 days," added Thomson.

### Home Guard Maintains Surveillance

In addition, he stated that, during their stay in Denmark, the soldiers took the same precautions against IRA terrorist action that they normally take at home.

"We rely heavily on the security organization of the local authorities."

The commander of the Danish forces on Sjaelland, Maj Gen H. T. Havning, added here that Home Guard companies customarily keep an eye out for suspicious events and possible foreigners in their local areas.

9287

### Scholars Take Poll on Defense Attitudes of Radical Liberal Voters

36130007a Copenhagen BERLINGSKE TIDENDE  
in Danish 12 Sep 88 p 10

[Article by Monitor: "The Radical Liberal Party and NATO"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] "What has become of the Radical Liberal [RV] profile?" asks Monitor. It is not really radicalism, and still less security policy opinion of RV voters, but at the most a kind of economic "pacifism" growing out of the slogan "What good will that do?"

RV has not just entered a NATO government. The party was there before. It has also entered a government that has the Social Democrats as its critical opposition in foreign policy matters. And it happened just after an election in which foreign policy was the main issue.

But that hardly gives the voters a problem because the RV voters also support NATO—and not merely NATO membership. RV voters are also inclined to show deference to the NATO partners, who do not fully agree with the previous footnote policy.

At least that is the impression one gets from an election survey that was taken after the last election by scholars at the Universities of Copenhagen and Aarhus. RV is a small party, and therefore there were only a limited number of RV voters in the survey. The figures for the RV voters are, therefore, marked by some uncertainty. The margin of error could be as high as 10 percent on either side. But there were almost as many who considered voting for the party. In addition to the possibilities that could have for the party, it means that those potential RV voters can be added to the actual RV voters to get a picture of the total RV strength. (See the last column of the table below.) Here the figures are somewhat more certain.

The first striking impression one gets is that there are very few voters who want to get out of NATO. That agrees with the result of so many other surveys. Among

the voters of the workers' parties, NATO opponents are, despite everything, a minority of considerable size. But among the nonsocialist voters there are almost none. Nor are there among the RV supporters. Government cooperation can hardly give the voters a problem on this issue. And it is very understandable that, after listening to the voters, RV leaders have begun to speak more positively about NATO.

But it goes further. Voters in the workers' parties absolutely do not take it lightly if a ship has nuclear weapons aboard in a Danish harbor, while nonsocialist voters will clearly accept it. The conflict of choice is reflected in the numbers. The RV voters are in the middle, but they tilt in the direction of the other nonsocialist voters. Surely it is no problem for the voters that the new government, as one of its first actions, found a formula that more or less adhered to previous practice.

One finds the same pattern in disarmament policies. Voters in the workers' parties are opposed to Danish disarmament initiatives being limited by the acceptance of the NATO partners. On the other hand, nonsocialist voters want to coordinate disarmament policies with NATO policies. And in this respect RV voters are clearly nonsocialist.

Finally, there is a clear difference between the blocs in their evaluation of how much the major powers should be criticized. The nonsocialist voters believe that the government's policy has been appropriate—both toward the United States and the Soviet Union. That is perhaps not so remarkable because, despite everything, it is the policy of the nonsocialist government the nonsocialist voters are judging. The voters of the workers' parties, probably for the same reason, are more dissatisfied, and their dissatisfaction indicates that they want more and not less criticism—especially of the United States. And again the RV voters move in the direction of the nonsocialists, even though until rather recently the party adhered to the alternative majority.

The problem is almost a question of what happened to the Radical Liberal profile. On a number of questions one can still find it in spite of everything. The Radical Liberals are not entirely as pro-NATO as the other nonsocialist voters. But, in addition to that, it is a question of where RV voters are very distinctively different. The workers' party voters by a large majority want to cut defense expenditures, while the nonsocialist voters just as clearly want to keep them as they are. Those who finally voted RV were just as eager for cuts as voters of the workers' parties, while on the other hand those who considered voting for the party—but did not—had a normal nonsocialist outlook on defense. Perhaps that was one of the reasons they still did not become Radical Liberals.

In all this there is not much radicalism, much less security policy understanding—at most, a kind of economic "pacifism" coming from the slogan "What good will that do?" Nonsocialist voters want to save. But Radical Liberal voters also want to save on defense. This can cause problems in government cooperation.



	Workers' Parties	Voted Nonsocialist (+RV)	RV	Considered Voting for RV	RV Total
NATO Membership					
We should get out of NATO as soon as possible.					
Agree	29	4	6	4	5
Disagree	61	94	91	96	93
Don't know	10	2	3	0	2

#### Ships With Nuclear Weapons

It is of secondary importance if there should occasionally be a nuclear weapon onboard a foreign warship visiting a Danish harbor.

Agree	31	76	52	60	55
Disagree	66	20	39	28	35
Don't know	3	5	9	12	10

#### Disarmament

A nuclear-weapon-free zone in the Nordic area should be established only if our NATO allies agree to it and it does not change the power balance between East and West.

Agree	52	84	79	68	74
Disagree	41	10	12	24	17
Don't know	8	6	9	8	9

A: Denmark should conduct an active disarmament policy, even if it creates disunity within NATO. B: Denmark should not openly damage the unity with our NATO partners. Therefore, we should not go further in our disarmament policies than the other NATO countries can accept.

Agree mostly with A	64	8	36	24	31
Agree mostly with B	29	85	58	72	64
Agree with neither, don't know	7	7	6	4	5

#### Criticism of Major Powers

Do you feel that over the past 3 or 4 years the government has been too critical or critical enough toward:

...the foreign policy of the United States

Too critical	3	8	3	4	3
Not critical enough	59	17	33	40	36
Satisfactory	29	66	58	44	52
Don't know	9	10	6	12	9

...the foreign policy of the Soviet Union

Too critical	9	2	3	4	3
Not critical enough	39	30	30	32	31
Satisfactory	37	56	55	56	55
Don't know	15	12	12	8	10

NATO Membership  
Defense Expenditures

A: Considering today's world, it is necessary that we pay at least as much for military defense as we have in the past. B: Military defense is costing our country too much. We must cut our expenditures.

Agree mostly with A  
Agree mostly with B  
Agree with neither, don't know

Total numbers

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Workers' Parties	Voted Nonsocialist(+RV)	RV	Considered Voting for RV	RV Total
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24	75	30	60	43
72	22	61	36	50
4	3	9	4	7
262	269	33	25	58

**Increasing Number of Conscripts Ask for Alternate Service**  
36130007b Copenhagen BERLINGSKE TIDENDE  
in Danish 11 Sep 88 p 1

[Article by Susanne Hegelund: "Every 12th Soldier Applies for Military Objector Status"; first paragraph is BERLINGSKE TIDENDE introduction]

[Text] There continue to be more who do not want to be soldiers. Liberal Party politicians believe that interest is waning because the Armed Forces have not kept up with the times.

The number of military objectors is increasing markedly.

During the first 6 months of this year, 271 conscripts in meetings in the barracks applied for transfer to alternate service as military objectors. That corresponds to 8 percent of the total number of conscripts, who numbered 3,360 during the first 6 months of the year. In all of 1986 there were 232 who applied to be objectors, and in 1987 the number was 335. That amounts to 3 and 4 percent, respectively, of the total numbers of conscripts for those years.

"This is a development that we are very unhappy about," said Peder Sonderby, defense spokesman for the Liberal Party and vice chairman of the Folketing Defense Committee.

He finds it important to get more conscripts in. "But they are of no use if they are not in the system, and it leads one to doubt if the Armed Forces have kept up with the times," said Sonderby, who believes that the conscripts of today are much more independent than before, and more critical of robotlike discipline.

Lt Col Jorgen Svaneberg, chief of the Armed Forces Conscript Section, has more explanations for the

increasing number of objectors. "The number of volunteers has fallen from 89 percent to 70 percent since 1986. Therefore, we have had to enlist more through compulsion, and so, clearly, more are applying to be military objectors."

Furthermore, the regulations have been eased to allow transfer to alternate service after one has begun regular conscript service. This right to be displeased gives the conscripts the possibility to apply for transfer to alternate service if a conflict of conscience arises with regard to conscript service after they have begun.

During the first 6 months of this year, 43 serving conscripts applied in this way for transfer to alternate service, whereas the total for all of 1987 was 50.

9287

**FEDERAL REPUBLIC OF GERMANY**

**Scholz on Missile Modernization, Military Restructuring**

36200012 Frankfurt/Main FRANKFURTER  
ALLGEMEINE ZEITUNG in German 30 Sep 88 p 2

[Text] Defense Minister Scholz, speaking Thursday to the "Security and Disarmament" seminar of the SPD-linked Friedrich Ebert Foundation, stressed the necessity of modernizing the U.S. nuclear weapons remaining in Europe and, for the first time, publicly acknowledged that the Bundeswehr was unable to maintain its existing structure. Scholz made this disclosure within the language of his statement that the Federal Government would make every effort to assure the Bundeswehr's combat-readiness. This would include "creating force structures" which would, even in the future, make possible a credible response to any attack. The formulation that the armed forces structures would have to "be created," is a cautious indication that the existing structure of the Bundeswehr can no longer be maintained.

The background to the defense minister's statement is the fact that the Bundeswehr has been forced not only to modify its personnel planning and force levels but that financial constraints will make it impossible to provide state of the art equipment to all major units in the 1990's. Thus, despite planning which has already had to take account of the fact that a large proportion of major units will have only limited combat-readiness, some 36 billion marks will be lacking to fund even these constrained plans. Demands calling for changes in the structure of the Armed Forces have been made by the SPD ever since the beginning of the 1970's; these were regularly rejected by Defense Minister Woerner.

Scholz emphatically rejected the demand for a new NATO strategy. Nuclear weapons, as even the Soviets have come to realize in recent years, are no longer regarded as useful in winning a war but only in preventing or ending it. They are precisely consistent with the mission that NATO has imposed upon itself. On a note of warning, Scholz added that a weakening of the U.S. nuclear guarantee would bring the possibility of a regionally limited war once again into the realm of European strategic reality. The Alliance strategy must remain credible and viable. Thus, the minimal number, range, and composition of NATO weaponry "in and for Europe...must be defined for the future." In saying this, Scholz expressed the confidence that with this redefinition, current NATO nuclear inventory—now down by 4000 from the original 7000 nuclear warheads—could be even further reduced. A concession to the Soviet Union of one-sided modernization of their nuclear weapons could not be made, said Scholz, thereby indicating the necessity of NATO modernizations without, however, touching upon the particularly delicate question of when the modernization of the remaining nuclear weapons might begin.

## FINLAND

### Defense Minister Norrback on Arms Control, Budget Problems

36170102a Helsinki SUOMEN KUVALEHTI in Finnish 29 Jul 88 pp 8-11

[Interview by Kauko Holopainen with Defense Minister Ole Norrback; date and place not given]

[Text] Defense Minister Ole Norrback (r) [Swedish People's Party] wants to set up as soon as possible a permanent parliamentary council on defense to prepare for future large investments by the defense forces. The parties have rejected a committee, but they are warming to the idea of a council. Norrback hopes it can be named as soon as early fall.

The defense minister would be ready to shorten the shortest term of military service from the present eight months to seven. Norrback believes that training of the soldiers can be intensified, and the defense forces would also need a reform of their own work style.

In the opinion of Defense Minister Norrback, a body convened by Parliament is needed to discuss the level of the defense budget in view of coming large-scale acquisitions. It has been generally thought that a parliamentary committee could not be considered, because they have tended to "slip" into new analyses of foreign policy. Up to now, three parliamentary committees have done outstanding work in charting the needs of the defense forces, but at the same time they have become enthusiastic about expensive solutions that the national economy cannot afford. The final result has been that the generals are continually grumbling about how many hundreds of million [markkas] we are behind the committee's proposals.

"We have thought about a council that would sit until the end of this session. It would be a permanent body composed of leading politicians.

"This would be a fine place to test ideas between the general staff and the political decisionmakers," Norrback says.

In his opinion the council could be set up early this fall, as the parties are voting favorably on the matter. The Ministry of Defense is still negotiating with the parties about it.

Norrback emphasizes the significance of the work of the defense committees. That have insured that no political conflicts have arisen over national defense and defense expenditures. "They should be avoided because matters regarding defense of this country are the concern of the whole nation. In my opinion, there should be a consensus in this country about two things. They are foreign policy and defense matters," Norrback said.

### Disarmament Reflected in Finland

[Question] What significance does progress in international disarmament have for Finland's defense policy? Aren't the superpowers dismantling their missiles, while Finland is acquiring more iron to defend its borders?

[Answer] Positive developments in the superpower relationship and the fact that for the first time real reductions in armaments have been achieved, whereas before there was just debate about the arms race, means that a new tone has entered the debate on security policy. It is difficult to predict the concrete significance of this for Finland, but it is clear that some debate about the matter is needed.

"We don't need to draw strategic conclusions. Our level of preparation is in many regards so low that this does not affect our acquisitions, but if the real disarmament that has begun continues, it will also affect us," Defense Minister Norrback believes.

### Airplane Purchase of the Century

Renewal of fighter planes in the middle of the next decade will be the largest weapons purchase of the century. The price of replacing the present Draken and Mig-21Bis planes, which are becoming outdated, has been estimated at about 6 billion markkas.

The strongest candidates for purchase are the Swedish JAS 39 and the Soviet Mig 29. The French Mirage 2000 and the American F-16 have also undergone comparison by the weapons experts. The presence of the latter plane in the competition gave rise to a rumor last summer, according to which the American plane was in a strong position. The pilots would apparently have chosen it, but foreign policy and foreign trade decisions are not made in pilots' cockpits in any country.

Defense Minister Norrback will not tell, for obvious reasons, in which direction the balance is perhaps already tilting. This much he will say, however: The old custom by which part comes from the West and part from the East has been successful.

[Question] Do we have enough money for such gigantic investments?

[Answer] I have generally started from the standpoint that everyone needs life insurance, and funds spent on defense are the life insurance of an independent country. It should be remembered that our defense expenditures are very low when compared internationally.

[Question] But wouldn't this airplane purchase probably mean that the defense budget's share is increasing?

[Answer] Perhaps temporarily, but it should be remembered that the acquisitions will be spread over many years. It also means that other defense sectors will have to get along with smaller budgets.

### Is Finland the Military Power of the North?

[Question] American-Norwegian researcher Tomas Ries will publish a book this fall in which Finland is called the Military Power of the North, or at least that is what the book's advance publicity claims. Is Finland the best armed nation among the Nordic countries?

[Answer] Unfortunately, this has been somewhat exaggerated. It has obviously been forgotten that we have universal military training. More than 90 percent of the boys go into the army and then transfer to the reserves, so we have an impressive reserve army in comparison with our population. An entirely different question is the arming and training of this reserve force. But, as far as the overall situation of our defense forces, they have obviously been well cared for, at least in relation to the available resources.

[Question] Has the defense minister ever thought that at some point a ceiling will be reached and we will no longer be able to keep up with weapons technology?

[Answer] No, I have become ever more convinced that any kind of national defense is connected most of all with the will of the people—noticeably more so than with worldwide technology. This is seen in recent history regarding Vietnam and Afghanistan as well as Finland's experience in wars and the Soviet Union's experiences at the beginning of the Second World War. These are examples of the fact that when a country truly desires to preserve its independence it can achieve miracles, and, according to all studies, the will of the Finns to defend themselves is high.

Norrback rejects the idea of a professional army. National defense is the whole country's concern, and it must not become a matter for only certain circles. The idea of national defense based on universal military obligation is important in principle also from the standpoint of equality.

### Reform of Army Service Conditions

It is part of the nature of all armies that they are hierarchical and conservative. Norrback admits this and proposes a "reform of work style" for the defense forces.

"I think there are two things that should be noticed. Training procedures need to be improved, because if in elementary school it is possible to teach children in the same class in such a way that at least most of them feel it is pleasant, this should also be possible in the army. Many people are aiming at this, but it needs to be speeded up.

"The second thing is that it should be possible to improve this hierarchical system. Of course in the military we must be able to be sure that when an officer gives an order in a crisis situation it will be carried out, but, on the other hand, if we forget about lively, constructive, critical discussion, that is also dangerous."

Norrback would take a lesson from the world of business, where people are attempting to motivate their workers by sharing power in the organization. Of course, defense management needs its own model, but it should be possible to profit from the experiences of the business world, and Norrback envisions the initiation of discussions between the defense command and the business world. When this reporter questioned whether the idea of balance-sheet responsibility could be applied to the military, Norrback laughingly corrected himself, saying that he meant peacetime conditions, routine work in the ministry, and the unit barracks.

"Obviously this applies to the entire national government. The general staff operates like all other central

offices. Its personnel could be decreased, and its authority and responsibility could be shifted downward," he says.

#### Organizational Reform

Organizational reform in the defense forces has been a concern in many military installations. Lappeenranta is losing its cavalry and Kirkkonummi its coastal infantry, and people in both places are angry. On the other hand, transferring the coastal infantry from Upinniemi to Dragsvik has been seen as language politics and the handwork of the defense minister from the Swedish People's Party.

Norrback says he understands the anger of the people in Lappeenranta because the dragoons are so closely connected with the history of the city. But the organization of the defense forces must change as the conscript age-groups get smaller. There are many military units in Kymi Province, and it is necessary to centralize them. It is small comfort to the people of Lappeenranta that Norrback saved the military band for the city.

"As far as Dragsvik is concerned, it seems natural to me that those who are being trained to defend the coast and the archipelago be stationed in this kind of coastal garrison, and that soldiers who know the coast best be stationed there. At the same time, much more training will be done at Dragsvik."

In the opinion of many people, changing the Green Berets to a purely Swedish-speaking unit would be a loss. Young men want to try out their abilities and are proud to win the beret. Now that possibility is gone.

"This is also true of the Swedish speakers. Many who desire more difficult training have had to go elsewhere, to Finnish-speaking units. It seems to me that we will have to develop these kinds of special units in various fields."

In Norrback's opinion, attitudes toward the defense forces have changed positively since the 1960's and early 1970's, and, of course, the defense forces themselves have changed too. Now people want to get into the army and even into more difficult training. The army is being less fastidious about petty military routines; more of its work is now being motivated by our security policy needs.

#### Peacekeepers in Global Demand

A significant part of the defense forces' new image has come from UN peacekeeping operations. Finland has about a thousand men on UN assignments, and we are at this time participating in all UN operations. The demand may grow in the future along with burgeoning hopes for peace in the Iran-Iraq war. Finland has already committed to sent troops to Namibia. Angola has just recently been leaning toward the demands of South Africa for the removal of Cuban troops from the country.

If this happens, the last obstacle set up by South Africa for Namibian independence will at last be removed, and the UN will step into the picture. Finland has committed itself to sending troops to Namibia on two-months' notice whenever the UN wants them.

"This peacekeeping is important to Finland for many reasons. It fits excellently into our country's foreign policy line, and it makes our country known positively in the world and gives many Finns the opportunity to gain international experience. Personally, I would be willing to increase this activity," says Norrback.

He thinks Finland's UN troops could be increased somewhat if necessary. The economy limits the numbers of troops, since the UN does not pay the full expenses of peacekeeping troops. Finland's supply of officers is also limited, but this situation could be helped by using more reserve officers.

"In my opinion, the defense forces should pay more attention in the future than they have to the benefits of peacekeeping activity. Jaakko Valtanen, commander of the defense forces, visited the Middle East last year, and he was apparently the first commander to visit there. In our discussions we have noted that the officers in UN units receive excellent experience of leadership in a real situation. This is experience that cannot be obtained here at home, and it should also be seen as having value.

#### Openess in Disclosing Information

The defense forces receive negative publicity from time to time because of their information activity. This happened when a Soviet target missile fell into Lake Inari, and the same thing happened last summer when general Rauli Helminen was named to the leadership of the UN inspection team in Afghanistan. The defense forces were silent, even though it was reported worldwide that a Finn would be put in charge of the group.

"A certain caution is part of the nature of the defense forces, but perhaps sometimes it is overdone. Things could be discussed more openly, and the debate would also be beneficial to the defense forces.

"We didn't want to say anything about Helminen until the UN itself was ready to make decisions. At the time, of course, people asked why the general came from Finland and not from Austria or some other country. Perhaps it came just from that," Norrback remarks sarcastically.

In his opinion, the claims that Finland was made a laughingstock by the information controversy are mindless. What is laughable about Helminen's having the main responsibility in Afghanistan? That is the important thing, and not where the information happened to come from, he says.

### More Doors to Military Service

Military service is being reformed so that, in addition to terms of 8 and 11 months, there would be a 9.5-month term for training in special technical weapons classes. Norrback thinks that additional terms could be added.

"In some cases the training period could be shortened to 7 months, but not less, in order to maintain equality. The problem nowadays is that not everyone applies for specialized training because it means an additional 3 months of service. If the difference were even greater, still fewer conscripts would make that decision."

And what about civilian service? People are pushing strongly for it to be shortened from the present 16 months. Five months of additional service is considered too high a price to pay for one's convictions and for free evenings and weekends.

"In my opinion, civilian service could be shortened to 14 months. But I do not believe that these time limits have any significance on the decisions citizens make," says "Sergeant" Norrback.

9611

### Armed Forces To Purchase Long-Range Radar System From France

36170111c Helsinki HELSINGIN SANOMAT  
in Finnish 20 Aug 88 p 11

[Article: "Effectiveness of Finland's Air Surveillance To Be Doubled; Armed Forces' Long-Range Radar Equipment To Be Replaced in a Couple of Years"]

[Text] Lappeenranta (HS)—The effectiveness of Finland's air surveillance will be doubled by the end of the decade when French-made long-range surveillance radar equipment becomes operational. Even unknown flying objects will be detected with the new radar long before they enter Finland's air space.

They plan to install the new automatic long-range radar equipment in Turku, Tampere, Mikkeli, Kajaani, Rovaniemi and possibly Kaamanen near Inari, the farthest north of the lot. The radar is capable of detecting a missile or a fighter aircraft at a distance of 350 km.

In addition to direction, speed and distance, the new 3D radar measures the altitude at which an approaching object is flying up to an altitude of over 18 km. The new radar is automatic and does not have to be manned.

The three long-range radar stations acquired during the first half of the 1960's will be replaced through the radar purchase decided on by the Defense Ministry in June.

Purchased from England in a great hurry as a consequence of the diplomatic note crisis, the radar equipment was already obsolete in terms of its capabilities when it was procured. They have had to constantly improve the radar system.

### Monitoring Gap in Lapland

The existing radar stations that are now to be replaced are located in Rovaniemi, Kuopio and Tampere. These radar stations are incapable of monitoring the air space beyond our borders with the range made necessary by the new weapons technology.

The sighting range of the Rovaniemi long-range radar does not really extend as far as the country's borders in the farthest north parts of Lapland. The missile that fell into Inarijärvi came from the worst direction of all from the standpoint of the Rovaniemi long-range radar. According to the statements of government officials at the time, the Armed Forces low-altitude surveillance radar at Kaamanen detected and then lost sight of that missile, "an unidentified flying object."

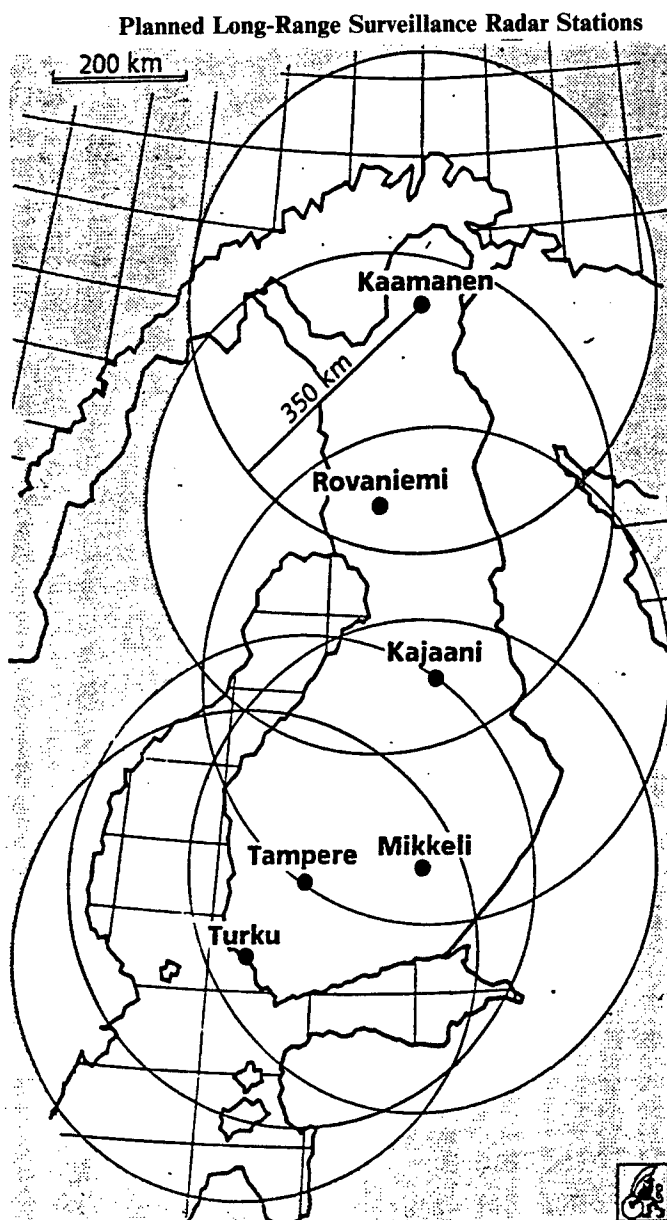
The Armed Forces have put together a tight and far-reaching low-altitude radar network to fill the gaps in their sparse long-range surveillance radar network and to monitor the shady areas concealed behind arctic hills, among other spots. Depending on where an object is located and the configuration of the ground, it can be "seen" at a distance of over 200 km through this mid-range of low-altitude radar network. This relatively new and modern low-altitude radar network is a Finnish achievement.

The so-called close-surveillance radar system, which is among other things used as a flight-confirmation approach-area radar in civil aviation, constitutes the third stage in the surveillance system. Operating within a radius of 150 km, this radar is to be found at any airport.

The so-called secondary system, whose most important function is to identify an object that has been detected, is used to complement all these systems. The secondary radar transmits question codes which the flying object responds to with its own identification signal, if it responds.

### Electronic Equipment From Finland

The long-range radar purchase is linked with the anti-aircraft missile purchase announced by the Defense Ministry this summer. The French have agreed to make reciprocal purchases from Finland in the full amount. "The total amount in reciprocal purchases accruing from the missile and radar sales will be from 1.1 to 1.2 billion markkas," said bureau chief Leif Fagernas, the secretary of the Defense Ministry's Compensation Committee. The ministry announced that it had purchased the missiles for 800 million markkas.



**The new long-range radar equipment will be located in Turku, Tampere, Mikkeli, Kajaani, Rovaniemi, and, possibly, Kaamanen near Inari.**

Yhtyneet Paperitehtaat [United Paper Mills] is pushing itself as a "French" reciprocal purchaser by offering to export machines to the cellulose plant it has just bought in France.

The purchaser wants to buy a very large share of the electronic systems associated with the missile and radar sales from Finland. "As I understand it, these are also those reciprocal purchases by the French supplier on which agreement will be reached in due time," Fagernas said.

According to the plans, the French firm of Thomson-CSF is to supply the Armed Forces chiefly only with

transmitter-receiver units and secondary radar equipment for the long-range radar system. The Armed Forces want to buy the display equipment, signal processing and transmission equipment which are components of the systems from Finnish firms.

Thomson's radar system is built in such a way that all of its components can be changed and modernized at one time or gradually. The electronic component of the system is also adaptable as is to use with the mid-range radar system.

11466

### **Air Force Orders 10 Redigo Prop Craft From Valmet**

36170111a Helsinki HELSINGIN SANOMAT  
in Finnish 26 Aug 88 p 9

[Article by Jyri Raivio]

[Text] The Council of State is using an appropriation from the supplementary budget it proposed in the fall to purchase 10 Redigo trainers from Valmet [State Metal Industry Company]. Valmet will supply the Air Force with the aircraft in 1991-92.

At Valmet's request a decision in principle regarding the aircraft order was made prior to the international air show at Farnborough in England to begin on 4 September. "A domestic firm's obtaining the order is a bottom-line issue in trade negotiations engaged in with other countries," Juhani Makinen, the manager of Valmet's aircraft plant admitted.

In terms of size, the 50-million-markka order is not of decisive importance to Valmet. The order's impact on employment will be about 250 man-years during the period from 1988 to 1992. According to Valmet general manager Matti Kankaanpaa, the importance of this first order is primarily the fact that the breakthrough it represents will lend decisive support to efforts to export aircraft.

Valmet is taking two Redigos to Farnborough. The show is the most important one in the world for the industry. Over 100,000 people a day will be visiting the week-long show.

### **Air Force Redigos as Transports**

At the moment, the Council of State's decision in principle is more important to Valmet than it is to the Air Force. The Redigos will serve as transports in the Air Force. Since the present-day Pipers will gradually become obsolete during the next decade, there is no urgency for the Air Force to put in an order.

Valmet has been trying to sell the Redigo, developed on the basis of the Vinka elementary trainer, elsewhere in the world, unsuccessfully so far. According to manager Makinen, they are even now engaging in far-advanced negotiations with several countries. In negotiations, according to Makinen, they have always run up against the obstacle of a lack of domestic orders.

### **Improved Redigo 1**

However, new orders from abroad are not yet, according to Makinen, to be expected this fall. "While negotiations with some countries are well advanced, these are such lengthy affairs that they will not be concluded by the fall."

According to the aircraft plant manager, the Redigo trainer the Air Force is to be supplied with is closer to the Redigo 1 than the Redigo 2 in terms of type and equipment. The version of Redigo 1 which the Air Force is getting has an American turboprop engine manufactured at the Allison plant.

The original Redigo 1 version has a power rating of 360 HP, which provides the plane with a level-flight speed of 350 km an hour. The American engines in the aircraft the Air Force is to be supplied with may be a bit more powerful than the original engine.

The Redigo 2 has a French engine that is considerably more powerful than the Redigo 1 engine. It is rated at 420 HP.

### **About 10 Competitors**

They began to design the Redigo when Vinka production was terminated, in early 1983. They got the first planes into the air in 1985. Now Valmet is only waiting for aviation officials' approval of the aircraft.

Valmet is marketing the Redigo as a trainer that is suitable for pilots' elementary and basic training. According to marketing chief Per Falenius, the Redigo represents a considerable saving in pilot training expenses since different types of aircraft usually have to be used in the elementary and basic training stages.

According to Falenius, they are trying to sell the Redigo to about 30 countries. By 1995, according to Falenius' estimate, they will have sold about 4,000 trainers abroad. In addition to Valmet, about 10 foreign manufacturers are vying for a share of the pie. The same types of aircraft are in production or in the planning in at least Switzerland, Brazil, Italy, France and the United States.

The Redigo is the least costly of the competing aircraft types. The most expensive ones cost three times as much as the Redigo.

According to general manager Kankaanpaa, Valmet developed the Redigo at the lowest possible cost with the aid of a small design team. Knowledge acquired in the production of the Vinka was used to help in developing it.

The Redigo is the first aircraft developed in Finland that is especially aimed at international markets. Earlier domestic aircraft were designed primarily for the special needs of the Air Force.

### **A Couple of Hundred Man-Years**

Aircraft for the Air Force are not at the present time being built at Valmet's Kuorevesi plant. The last time they were, 30 Vinka elementary trainers were built and some English Hawk jet trainers were assembled. At present the aircraft plant makes ends meet chiefly by providing maintenance for Air Force fighter equipment.

Nearly 600 people work at the Valmet aircraft plant. "The Air Force order will provide employment for about 250 people for a year's time," plant manager Juhani Makinen said.



According to Makinen, Valmet will in addition try to produce about 20 Redigos a year.

These aircraft will represent only 2 or 3 percent of Valmet's total production. According to general manager Kankaanpaa, aircraft production is really of considerably greater importance since it also creates many jobs in other industries involving high tech.

### **Terribly Expensive for a Transport**

The decision in principle to buy 10 Redigos as transports for the Air Force for about 50 million markkas demonstrates that Valmet is clearly under the very special protection of the Finnish Government.

One Redigo transport costs about 5 million markkas. That is an inordinately high price to pay for a four-seat plane the purpose of which is to transport men and equipment from one base to another in the Air Force.

Designed as a trainer, not for use as a transport, the Redigo will replace the Piper Arrow transport in the Air Force. They could have gotten 70 new Pipers for the price of the 10 Redigos. For the money it spent on the Redigo, the Air Force could have gotten an 8-to-13 seat mass-produced turboprop equipped with deicers, faster than the Redigo and quite a different class capable of carrying cargo.

The timing of the decision in principle also attests to the government's favorable disposition. New defense equipment procurements are not usually funded out of supplementary budgets. This time, however, the matter was urgent since the most important international aviation event of the year is to begin as soon as 4 September.

Valmet cannot, however, loudly beat its breasts when it is getting its basic trainer almost forcibly sold on international markets as a Finnish Air Force transport. Potential buyers are still asking why the Redigo qualifies as a basic trainer for the Finnish Air Force. No one but the Finnish Government is buying this aircraft for use as a transport.

The 10-aircraft transport sale will, of course, improve the Redigo's chances, just as will the shifting of responsibility for marketing it—at least in part—to Swiss professionals in that field. Nevertheless, in international terms, Valmet is such a small and unknown aircraft producer that it would be a small miracle if it were to sell the Redigo purely on its own.

Despite the "significant commercial breakthrough" that has now been achieved, Valmet's best opportunity to sell its trainer will present itself when the reciprocal purchases for the Air Force's next gigantic fighter contracts are discussed.

11466

### **New Civil Defense Command Center for Turku Area**

36170111b Helsinki *HELSINGIN SANOMAT*  
in Finnish 20 Aug 88 p 16

[Article: "Excavation for Civil Defense Command Center Begins in Turku; Center Costing Nearly 30 Million To Be Completed in Summer 1990"]

[Text] Turku—Excavation for civil defense construction has begun in Turku's sport park. Emergency situation civil defense command centers for Turku and Pori Provinces as well as for the city of Turku are to be located in a rock shelter under the sport park.

Furthermore, in connection with the Turku command center, there will be facilities for an areal alarm center and the Turku Telecommunications Office. When it is finished, the Turku civil defense command center will be our country's last provincial civil defense command center, after which the national network of command centers will be complete.

### **City and Province as Moneymen**

Situated alongside the government office building, the excavation, reinforcement, and draining operations for the centers will be completed next summer and the construction work on the interior facilities in the summer of 1990. The combined surface area of Finland's newest command centers will come to 4,490 square meters and the cost of the project to about 29.3 million markkas.

The surface area of the provincial command center will be 2,070 square meters and that of the municipal command center 2,420 square meters. The cost of the provincial center will come to 12.6 million and the municipal center, including the Telecommunications Office premises, 16.7 million markkas.

First, they will have to excavate emergency quarters in the rock for the municipal administration and a first-aid station. In normal times they would have served the needs of exercise activities and in part as parking facilities. These quarters were, however, trimmed from the Turku municipal budget at the end of last year and they will be built later.

### **Telephone Exchange for Normal Conditions**

The shelter class of both command centers is in accordance with the most demanding standards. Rock walls 12-18 meters thick form the main part of the peripheral structures of the command centers. The shelters will be provided with their own emergency generators and complete communications equipment in addition to the usual furnishings and equipment. The Turku Telecommunications Office telephone exchange will also be in operation under normal conditions. Construction of the

telephone exchange will be a normal Telecommunications Office investment project that will create additional capacity for Turku's telephone lines. Up to now, additional lines have been set up with temporary devices while waiting for work on the command center to begin.

The provincial command center will serve the entire province as part of the national civil defense command. Included in the municipal command center operations area are those Turku parishes that at present belong to the Turku rescue operations area. They intend to conduct an extensive operational exercise on the premises in the fall of 1990.

The command centers can also be used, if need be, as a rescue control center in the event of major disasters. Properly viewed, the provincial command center will operate under the leadership of the governor, and its personnel will be composed of members of the provincial government's own organization.

11466

## SWEDEN

### Most Effective Patrol Boats for ASW Operations Without Crews

36500170 Stockholm DAGENS NYHETER in Swedish  
4 Sep 88 p 18

[Article by Anders Hellberg]

[Text] The Navy has been unable to use the most effective boats it has on the west coast in the current submarine hunt in Stig Fjord between Orust and Tjorn.

The reason is that the recruits who man them ended their tour of duty at the time when much smaller boats were dropping depth charges in Stig Fjord.

The Navy has very few resources on the west coast, but a division of the relatively highly effective patrol boats is assigned to the West Coast Naval Command in Goteborg.

Two of the country's four patrol boat divisions—16 vessels—are assigned to Galo in the Stockholm archipelago, one is assigned to Karlskrona and one to Goteborg.

However the Goteborg patrol boats are still in port. There are no crews to man them:

"The recruit crews were dismissed at the end of August, on Wednesday, in other words," Lt Comdr Kenneth Lindmark, public relations officer for the Coastal Fleet, told DAGENS NYHETER.

"After that, only skeleton crews consisting of officers were left, and they certainly cannot handle operational activities," Lindmark said.

### Recall

Recruits handle essential shipboard functions such as dropping depth charges, manning the hydrophones that detect submarines, and preparing food.

Supreme Comdr [OB] Bengt Gustafsson can recall crews after they have been demobilized—they are on standby alert, as it is called. But this has only happened once in the 1980's in connection with the possible arrival in southern Sweden of refugees from Poland.

The new crews will move in in December and will be partially trained to participate in antisubmarine operations by the spring of 1989.

### Effective Weapons

The patrol boats are relatively effective vessels, with the same firepower as the old destroyers. With a displacement of 150 tons and a length of 36 meters, they have the capacity to drop large numbers of depth charges. Depth charge mats proved very effective in the operation near the Gustaf Dalen beacon in June when, the Navy thinks, a foreign submarine was damaged.

Today there is one small vedette and a number of "200" boats—landing craft from the Coast Artillery—in Stig Fjord. With the patrol boats in service the Navy could set off several depth charges simultaneously—the most effective active weapon the Navy has against foreign submarines when very large numbers are employed.

If mines are used, a submarine must pass right over the mine strip, and the Swedish Navy will not allow Swedish submarines to fire torpedoes because of the risk of underwater combat.

### OB Decides

The chief of Naval Command West in Goteborg, Col Svante Christenson, and the commander of the Western Military District have another reinforcement possibility: The big antisubmarine force the Coastal Fleet has stationed on the east coast, which includes the two new coastal corvettes, could be diverted to the west coast.

The Supreme Comdr is the only one who can make that decision, and it would mean leaving the east coast with no antisubmarine capacity at all. Sweden has only one antisubmarine force, and thus submarines can be hunted effectively in only one area at a time. The Navy has requested the establishment of at least two complete forces, which would include eight coastal corvettes, compared to the two we have now.

06578

## DENMARK

### North Sea Oil Major Factor in Improving Trade Balance

36130004b Copenhagen BERLINGSKE TIDENDE  
in Danish 15 Sep 88 Sec II p 1

[Article by Lars Emtekaer: "Billions of Profit in North Sea"]

[Text] The Danish people are the certain winners when the balance sheet for North Sea energy is totaled up. The oil and gas that the Dansk Undergrunds Consortium (DUC) has produced has positively influenced the balance of payments by 16 billion kroner. And DUC also paid 4.3 billion kroner in taxes and duties in 1987.

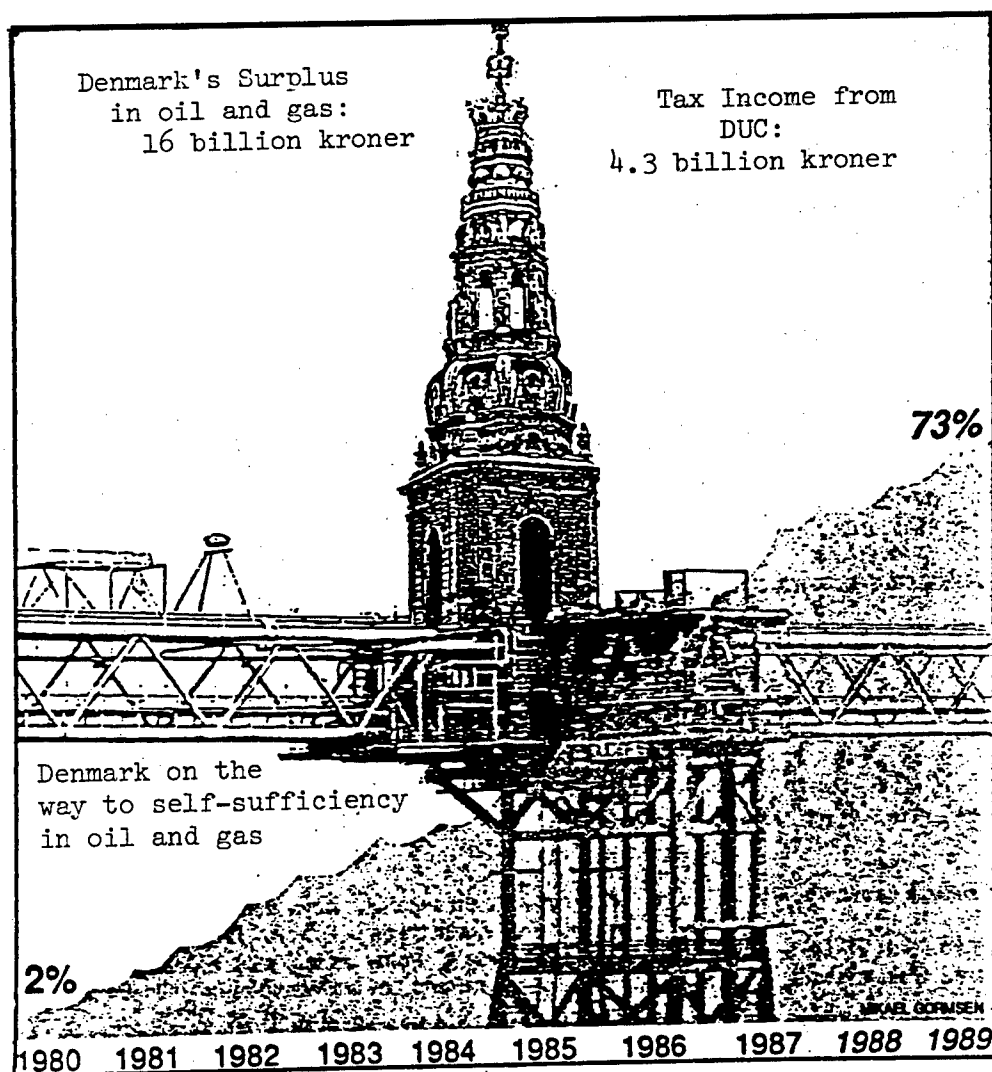
Energy from the North Sea is now flowing out at such a rapid rate that Denmark in 1989 will be able to cover between 70 and 75 percent of its total consumption of oil and gas, Director Erik Holtegaard of Maersk Oil and Gas told BERLINGSKE TIDENDE.

The total oil and gas production in 1989 is expected to be 7.9 million tons of oil. Enough to cover a good 40 percent of Denmark's total energy consumption.

In 1986, self-sufficiency in oil and gas was about 50 percent, while this year it will go over 60 percent. At Denmark's weak beginning as an oil nation in 1980, the production could only cover about 2 percent of consumption.

The large production of oil and gas in recent years has benefitted to a great extent the lean coffers of changing tax ministers, and to some extent the balance of payments.

According to calculations by Maersk Oil and Gas, DUC (A.P. Moller, Shell, and Texaco) has paid 4.3 billion kroner in taxes and duties from the very first start in 1972 up to the end of 1987. In 1988, it is expected that DUC will contribute to Denmark's budget by 1.2 billion kroner.



During the same period the balance of payments has been positively affected by a total of 16 billion kroner when payments abroad are taken into account.

The most positive outlook was in 1985, when the price of oil was at the very top. In that year North Sea energies saved the balance of payments for expenses by 5.7 billion kroner. Later the oil price dropped and with it the values of Danish production—and last year the corresponding figure was 4.0 billion kroner. The result in 1987 was also “negatively” affected by new investments in Dan-field, where much equipment was purchased abroad.

Large new investments in installations in the North Sea will also reduce the positive effect in the coming years.

“We intend to invest between 10 and 15 billion kroner in the next 5-10 years,” Holtegaard said.

09124

#### **Interest Surtax, Unemployment Fears Ending Consumer Confidence**

*36130004d Copenhagen BERLINGSKE TIDENDE in Danish 16 Sep 88 Sec II p 1*

[Article by Jens Chr. Hansen]

[Text] The Danes are putting fewer and fewer goods in the buying basket. And future expectations show continued reluctance in the department stores. Great fear of increasing unemployment.

Consumer Denmark has come to a standstill.

This is seen in the item turnover from Denmark's Statistics, which was published yesterday. Consumption, which often takes the blame for all the economic misery in the country, has come down to a level where it belongs, according to the politicians. But not everyone is equally enthusiastic about the stagnation.

“I think that the slowing down of consumption has been greater than the economists have generally calculated on,” Niels Skovvart, leader of the economic-political office in Provins Bank, said, “and the danger is that the wheels will slow up so much that much too much energy will be required to get them going again. And this will create the breeding ground for an uncontrollable inflationary development. More of a gliding development in economic policy would be preferable to this stop and go policy.”

Economics Minister Niels Helveg Petersen (Radical Liberal) does not wish to comment on the Danish consumer situation other than to say that “Obviously the figures speak for themselves.”

Skovvart thinks that the figures for the monthly price index for August 1988, which also arrived yesterday, confirm that sales in July were miserable for retailers.

While the price indices for June and August are generally level, a fall in the July prices can be noted. And this indicates that not only have the stores had to put sale signs on their goods. Because of lack of demand, they have also had to reduce prices an extra bit. There is generally a sale all year round.

And nothing indicates that the Danish consumer will leave his armchair for a while. Interest taxes have been a shock for many. Denmark's Statistics also released yesterday a rather pessimistic study of consumer expectations.

Most marked is the fear of the Danes of unemployment. And this means that the consumer's purse will hardly remain open in the next few months.

09124

#### **Business Tax System Out of Line With EC** *36130004a Copenhagen BERLINGSKE TIDENDE in Danish 17 Sep 88 p 4*

[Article by Olav Hergel: “Denmark Close to Conflict With Rome Treaty”]

[Text] With the new employer taxes, Denmark is on the brink of violating the Rome Treaty. The taxes will continue, even if the so-called secret official report has made new proposals.

In spite of energetic support from Liberal Party Folketing member Trade Council Director Laue Traberg Smidt, the final and secret official report on employer taxes has still not been made public.

But Smidt has, nevertheless, seen to it that one proposal from the report has been leaked. It involves a reduction of employer taxes for the smallest businesses. The fewer workers they have, the less they will pay.

The other proposal is, as far as BERLINGSKE TIDENDE has been able to find out, that all small businesses with less than a half million turnover will have a deduction in taxes of 6,000 kroner in contrast to the present 3,000 kroner.

But whether one or the other proposal is accepted, it will not be more or less legal as far as the EC is concerned.

The problem is that the existing rules are close to violating the Rome Treaty, and, briefly stated, if the present legislation is in order, the coming legislation will be also—and vice versa.

The present rules state that Danish importers must pay a value added tax with the sale of goods—a value added tax that is not imposed upon export businesses. This means that imported goods become more expensive, while exports become cheaper. Other things being equal, this produces fewer imports and more exports.

All well and good for the balance of trade, but if it is not directly in conflict with the EC rules, it is in any case in conflict with the intentions of the European Community.

Or, as the lawyer and vice director of the Danish Chamber of Commerce, Lars Krobaek, says, "If the other countries began to introduce such rules, we would be all right. It is only wrong if Denmark is the only one."

This is possibly also the idea expressed in a letter that Labor Minister Henning Dyremose wrote to the Danish Chamber of Commerce on 4 Dec 1987. Dyremose wrote, "It is obvious that imported goods will rise in price, but it is precisely this effect that gives Danish businesses that compete on the home market with foreign products a competitive edge."

That is a statement that is directly in conflict with Article 95 of the Rome Treaty. "No member state may directly or indirectly impose on other member states internal taxes of any kind that are higher than the taxes that directly or indirectly are imposed on similar domestic goods. Further, no member state may impose on any other member state internal taxes that will indirectly protect other products."

#### Denmark a Less Than Agreeable Member

There is another EC rule, the seventh value added tax directive, that may be in conflict with the Danish legislation that has been passed.

The rule states that all member countries must strive for common rules, and that all countries may only have the value added tax as a duty.

Precisely this rule is what the government has been afraid of all along, but one of the EC experts in this country, Hagel Sorensen, head of the Ministry of Justice, says, "When Denmark passes a law, it is obviously not in conflict with EC rules. We have behaved like an agreeable member country and announced that we have imposed the tax. But we have not heard interested questions from abroad. Now 9 months have passed, so there can hardly be problems. Moreover, I don't think there is anything scandalous in a government going out and taking a chance."

If the rules are—as Sorensen says—in order, there will not be any problems with the new rules, either. But BERLINGSKE TIDENDE has also been in contact with lawyers who think that in this matter Denmark has behaved as a less than agreeable member of the European Community.

As one of them says, "It is closer to the truth that everyone—politicians, civil servants, and others who have been involved all along—have known that Denmark is moving at the edge of the law. One has simply

put one's faith on the law's having positive results before the matter goes so far that the EC court overrules it. This can take some years, and it is precisely this that the government is hoping for."

#### Turbocharged Export

Laue Traberg Smidt, who has openly said that he believes the EC will overrule the law, said earlier, "We took the chance to see if it would go through. Then at any rate we would give the export companies a turbocharge."

A third viewpoint is that Denmark with the new taxes is giving indirect state support to export companies because they now pay neither social contributions as before nor taxes like the rest of the businesses.

But not many believe that this argument is correct. The main reason is that there is no question of giving state support to a particular branch, for this would be illegal.

Also, the law does nothing more than free the companies from some social contributions, which one actually has not needed to impose upon them.

But these are the problems that the EC court may take a position on if the EC commission decides to sue Denmark.

It will take time, but if there are some who are tired of waiting, they can take matters in their own hands and sue Denmark in a Danish court on the question.

Anyone can do this. Other things being equal, it will take less time, and it will provide an answer to whether the Danish legislators have really found the egg of Columbus that in a legal manner gives a turbocharge to Danish exports.

09124

#### Industry Again Earning Profits After Poor 1987 Performance

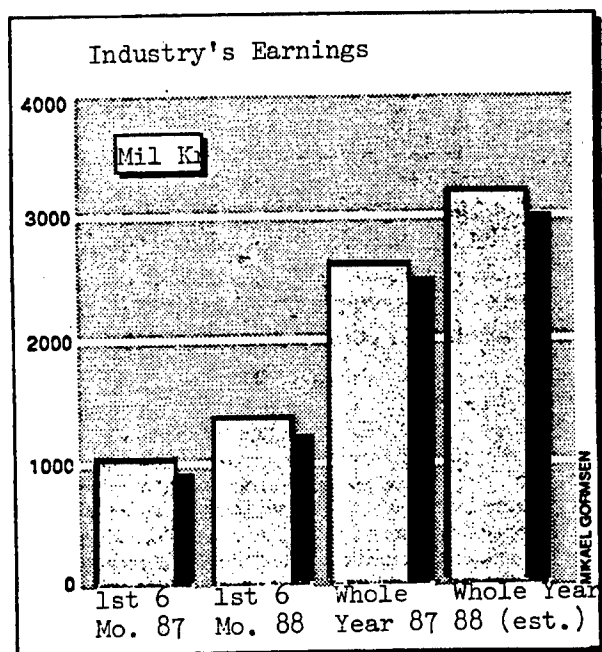
36130004c Copenhagen BERLINGSKE TIDENDE  
in Danish 19 Sep 88 Sec II p 1

[Article by Lotte Ustrup]

[Text] Income in industrial activity this year is up by an acceptable level after a miserable year in 1987, according to half-year statements. Provisionally there is talk of an increase in earnings of 35 percent in comparison to last year. The export package and an active wage guidance are thought to be the main causes of the rising income.

Danish industry's income rose markedly in the first 6 months of 1988 in comparison to the same period last year. This is shown by industry's half-year reports, which nowadays are arriving in stacks in the stock exchange's mail box.

Rising income in industry has long been predicted by economists and industrial experts, but with a knowledge of 80 percent of the industries listed on the stock exchange, these assumptions can now be confirmed. A study undertaken by the Jyske Bank for BERLINGSKE TIDENDE shows that income has risen by 35 percent in the first 6 months of 1988 in relation to the same period last year. The bank knows that the whole year will show a progress in income of 21.9 percent in relation to 1987.



The study includes 34 leading industrial companies that have the same calendar year as the fiscal year. Half-year statements are still lacking for five companies that normally are included in the analysis. The calculation is based on the ordinary result for taxes, that is, the figures are corrected for extraordinary entries.

The medicinal firm Novo has been the largest contributor to the fine figures. If one examines the company, one sees that for the first 6 months there is an average rise in income of 22.5 percent, and for the year, 16.4 percent.

The vice chairman of the Danish Employers Union, Poul Erik Petersen, is not surprised at the large rise in industrial earnings. He thinks we are now seeing the results of the export package and an active wage guidance: "Developments have taken a happy turn, and if we can only hold a lower rate of wage increases than abroad, we will soon see a positive effect in employments and investments."

## FINLAND

### Trade Expert on USSR Clearing Account Problems, EC Ties

36170101b Helsinki HELSINGIN SANOMAT  
in Finnish 4 Aug 88 p 14

[Article by Renny Jokelin: "No Guilty Parties in the Finnish-Soviet Trade"]

[Text] In the 1950's and 1960's, Paavo Kaarlehto, who is 60 years old today, has held jobs as an assistant, teacher of commercial theory, and assistant professor of marketing at the University of Helsinki. He has also worked as a researcher in Pellervo Society and at the Research Institute of Agricultural Economy, where he was the director from 1960 to 1967.

In 1969, Kaarlehto was transferred to the Foreign Ministry as a division chief, and in 1970-74 he served as the assistant chief at the Department of Trade Policy. In 1974, he became Finland's ambassador to Argentina, from where he went to the UN Office in Geneva in 1975. In 1975-81, Kaarlehto also represented Finland in the joint negotiations on EFTA, as well as in other international organizations.

Kaarlehto was Finland's ambassador to Belgium in 1981-84 when he became the Deputy Secretary of Trade Policy at the Foreign Ministry.

In discussing problems related to Finnish-Soviet trade, Deputy Secretary of Trade Policy Paavo Kaarlehto is of the opinion that the search for guilty parties has been misguided. "The main thing, the fall in energy prices, has been strangely forgotten," Kaarlehto says.

Of course, Kaarlehto, the key official in Finnish-Soviet trade negotiations for the last three years, will not comment on the public discussions of the matter. During his 20 years as a government employee and diplomat, he has learned to check his blunt and sharp tongue in public trade discussions with partners in different geographic locations.

But Kaarlehto will give an official answer to a question. According to him, problems are being encountered in Finnish-Soviet trade because the Soviet Union will have difficulty paying since energy prices have dropped by half.

"Finland has sold endless amounts of goods and signed an endless number of agreements. We could do even more, if the other side had something with which to pay."

According to Kaarlehto, the solutions do not depend on certain individuals. Neither is the Soviet negotiating machinery a jungle, where one gets easily lost.

Overall, Kaarlehto is confident that a solution for Finnish-Soviet trade [problems] will be found. He has learnt to see beyond the difficult periods. Kaarlehto has participated in negotiations on almost all Finnish-Soviet trade agreements.

In the early 1970's, Kaarlehto led the Finnish team in the politically controversial EEC negotiations. Kaarlehto also fought for the trade agreements with the small socialist countries (KEVSOS).

Kaarlehto is now in charge of the Finnish-Soviet trade negotiations, at their worst possible stage, and still, we trust him also with the newest phase of West European integration. Basically, it is easy.

"In Finland, unlike in Austria, for example, there has been no debate on goals with respect to the EC," Kaarlehto says, refusing to use the Finnish term EY (the European Communities), which is recommended by the language board."

"We'll see what happens with us when things really start to move in the EC." On the other hand, Kaarlehto says that we should not only watch what will be done under the banner of "1992". "Monetary transactions and other economic activity will be liberalized anyway. The speed will depend on the strength of the economy in the individual countries, but liberalization will go on the whole time anyway."

In other respects, Kaarlehto also believes that neither wishful thinking nor negotiations can control major fluctuations.

In his opinion, applying ethics to trade, for example, would be impossible. He will not comment directly on the Outokumpu-Chile issue.

"In this context, however, I would rather talk about double morality than morality. It seems to me to be very important that if you intend to moralize you should state your criteria very clearly and be consistent in applying them."

He admits that the Foreign Ministry has very often been cynical in handling Finnish trade relations. "Our very long, extended experience out in the world may be behind it."

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#### **Prime Minister Warns of Inflationary Pressures**

##### **Tax Reform Supported**

36170101a Helsinki UUSI SUOMI in Finnish  
7 Aug 88 pp 18-19

[Interview with Prime Minister Harri Holkeri by Kari A. Nurmela; date and place not given]

[Text] Prime Minister Harri Holkeri dismisses the heated discussions on Outokumpu's plans for Chilean copper, as mere summer political gossip.

But rising inflation is not just gossip.

"Now, the most urgent matter is to find economic measures to cut down inflation." He admits that the spring decision to raise the price of alcohol, was a mistake. At least, it did not ward off inflation. "The increases in government spending must be limited. The government should not act as a dynamo for inflation."

Daily, the flowers used as symbols by the different parties are put on the side table in Prime Minister Harri Holkeri's office. Today the daisies of the SMP (Rural Party), are serving as a reminder of the upcoming party conference to be held over the weekend. The prime minister does not seem the least bit concerned over speculations that the SMP will resign from the cabinet.

At this moment, Harri Holkeri is not worried about the political climate in Finland in any other respect either, and yet, day by day, the cabinet is forced to face more and more complex issues.

"This cabinet was formed to solve very tough issues. There could have been other, easier cabinet formations to solve easier issues."

Holkeri likes to reiterate what he has already mentioned on various occasions: "we are not in the cabinet to please people nor to collect political points."

#### **'Chile Is Summer Political Gossip'**

Against this background, it becomes very clear that the prime minister will not give an inch in the hot debate on the Chilean copper issue. Even if the matter has been of great concern to Holkeri in the last few days, he does not get half as upset about it, as his party colleague, Minister of Trade and Industry Ilkka Suominen.

"The Chilean copper issue is simply political gossip. During the hot summer, when news is scarce, items like this can surface. In my opinion, the whole thing is an extremely superficial issue. In the end, if Outokumpu cannot go through with the plan, it will have to close down the factories in Harjavalta," Holkeri says somewhat sarcastically.

Holkeri denies the claims that the cabinet would have gone crazy' at any stage of this matter.

"The decisions have been made in accordance with previously established principles in similar matters."

Yet the situation seems to be sensitive enough to prompt the prime minister to remind us of false information circulating about the so-called UN black lists.

### **'There Is No Official List'**

"Officially, the UN has no list. "An unofficial list was compiled by the Namibia working group, set up by the UN." There could be much to talk about Chile, but the cabinet leader, and his ministers, continue to treat it as secret information. Outokumpu, as an industrial concern, however, is an entirely different matter, and even Holkeri agrees that its future should be discussed very extensively. Likewise, the recognized pollution problems of the Harjavalta refinery should be discussed.

When Harri Holkeri, earlier in the summer, had to appeal to the trade unions for stability in labor relations, his stand on zero pay increases got a cold reception from the SAK's (the Central Organizations of Trade Unions) president, Pertti Viinanen, among others. Now, the trade union movement is also distancing itself from the cabinet's position on the Chilean copper issue.

### **'Increasing the Price of Alcohol Was a Mistake'**

"In my opinion, the atmosphere is not any worse than usual. One must not become complacent, but these matters are not any bigger than other matters."

Harri Holkeri has wanted his cabinet to be known for two accomplishments: tax reform and the restructuring of labor relations. They constituted one project, now it is time for direct action on the growing inflation.

"Undoubtedly, there are many reasons why we have not met our goals in controlling inflation."

The prime minister puts the blame on two minor matters.

"We should not have raised the price of alcohol. But Finns are drinking more today than ever before. Thus the price increase was needed for public health reasons. The same is true of cigarettes. Some pressures will now be born to compensate the teetotalers. Fuel prices have also been a little problematic. The price of gas has remained stable. We have not increased it. In order to get funds for the priorities which were agreed upon, the difference between the world market price and the domestic price was absorbed by the state, instead of being passed on to the consumers. We did not try to score points by lowering the consumer price index, which we could have done by lowering the price of gas."

Holkeri urges everyone to participate in the fight against inflation.

"In June, the Cabinet made a policy decision not to increase spending in the areas that affect the consumer price index."

### **'The State Is Not an Engine of Inflation'**

"I am worried about the possibility that the state is fueling inflation. Increases in government spending must be limited. Mistakes in fiscal and income policies would have to be corrected through monetary and exchange rate policies, which would be very bitter medicine indeed! But will people accept the message? I believe that ordinary people cannot be fooled with big ostensible promises of higher standard of living."

Harri Holkeri knows well that many people would welcome high inflation to wipe out their large debts.

"On the other hand, in the past two or three years, we have learnt to associate lower inflation with a stronger economy."

Recalling his own words "the closer to zero the increase in nominal wages will be, the better the increase in real income will be," Holkeri still believes that the trade unions will sign a stabilization agreement.

### **'Hard Solutions Ahead in Budget Discussions'**

The upcoming budget discussions will be critical for economic stabilization. The prime minister considers them most significant. Holkeri promises that "the upcoming budget discussions, more than is usually the case, will outline economic policies with very long-term consequences. Of course, tax policy will be discussed, but the development of economic strength and competitiveness will be the top priorities. Right now, we need to pursue a tight fiscal policy in Finland. Using any indicator, the country is undeniably doing very well. Although it is important to secure the future development, it can no longer be done by applying previous solutions. The speed can be numbing." Harri Holkeri naturally offers tight fiscal policy as a remedy against such policies.

### **'Public Construction Must Be Controlled'**

"I am worried about the constant expansion of the public sector, because this can be financed only by taxes. Cutting the spiral of consumption is necessary and we must now engage in some creative thinking. This means that we must curb the expansion of the public sector. At this stage of budget preparations, I will not refer to any sector, in particular, but there are, of course, some areas like public construction, where costs tend to be incomprehensibly high. Standards are rather high, materials and costs go up, and the government and county estimates do not hold up at all."

At the moment, when Harri Holkeri reminds us that every public building is not a monument, the opera house and the Mantyniemi (official presidential residence) are being constructed in Finland.



The prime minister is concerned about the high cost and inflexibility of the government bureaucracy. According to him, the government has vigorously started to dismantle some outdated bureaucracies. Red tape should not cripple the functioning of the society.

#### **'One Joint Municipal Federation?'**

"We will gradually begin to delegate decisionmaking power." After extensive summer travels in Finland, Holkeri says "decisions are best made at the local level, where people are most familiar with the problems [in question]."

Holkeri reiterates the idea of "one counter" in the distribution of social welfare to an individual person. Citizens should not have to run from office to office to get help.

"The state, however, is not alone with its problems in these matters. Public administration is also too cumbersome. We have two Finnish municipal federations and one Swedish-speaking one. The municipal sector favors one single class of municipalities, but it will not agree to having one single federation."

#### **'Municipalities Should Be Consolidated'**

Holkeri would like to reform the municipal sector in other respects as well. He supports the consolidation of local government areas.

"This is a very emotional issue in Finland. In very small municipalities people have to pay extra money just to strengthen the self-esteem of elected officials and municipal employees. This is very unfair."

Holkeri is glad to see local interest groups growing stronger. Village committees are offering welcome additional help in undermining the power of political parties and politicians. "Could it be so bad?"

Holkeri prefers to talk about the issues rather than about the politicians' image. In the fall, he soon again will have to deal with political reality, when the complexities of tax reform will be tackled.

#### **Who Has Set the Schedule?**

"Even if the main policy principles have been laid out, the final decisions, promised in the cabinet platform, must be made sometime soon for enactment in early next year. I want to reiterate that the tax reform is an objective set in the cabinet platform, and thus, our chances of reaching a decision are very good."

Holkeri is bothered by the different schedules set for tax reform.

"Who set them? There has been a lot of public interest in this matter and people have asked when, when, when. There have been various draft proposals circulating around. They, however, have not been written by the cabinet, which, in any case, would only adhere to its own proposal," Holkeri says emphatically.

Reports of the cabinet failing to keep its promises have appeared, because the mass media did not see the cabinet acting according to their expectations.

The parties have also been pressuring the cabinet, Holkeri concedes, citing the upcoming local elections for this pressure.

#### **'Tax Reform Has Been Difficult'**

For all schedules, most of the tax reforms will still have to be decided on in the next few days. Holkeri has to admit that the tax reform has been unexpectedly complex.

"The number of details to be checked has been greater than anyone predicted. The number, however, was not insurmountable. Tax reform will not meet neither every wish, nor every fear, I assure you. The many fears surrounding this reform have damaged it in the public eye."

So far, 1st Minister of Finance Erkki Liikanen has been in the center of the debate on tax reform, while 2nd Minister of Finance Ulla Puolanne has also had her share of the heat. The prime minister's turn will come later.

"The prime minister has to be careful about what he says. At least, until tax reform has been discussed, for the first time, by the cabinet and not only by the Select Committee of ministers. My turn will come when we enter into negotiations on a compromise. It is not productive to give instructions, at least, not in public."

#### **His Time in Local Government Is Over**

Harri Holkeri is happy to acknowledge that his administration has already worked harder for tax reform than many previous governments, and that, progress on the other huge task, labor reform, has been very good. With respect to labor reform, Holkeri believes that, "last winter, people learned that public pressure has its limits."

The prime minister does not seem to be worrying too much about the outcome of the local elections. His relations are good both with the Social Democrats and the Conservatives, he says, denying rumors to the contrary.

"Now, I am having fun, wondering how things will go in the municipal elections, when I am no longer there as a candidate. I am ending my career of 20 years in local politics. My local political clock is stopping."

**Newspaper Agrees With Policies**  
*36170101a Helsinki UUSI SUOMI in Finnish*  
8 Aug 88 p 2

[Editorial]

[Text] Prime Minister Harri Holkeri's hard-line budget policies are necessary to control inflation. Tax reform must not be muddled. It will turn out all right, Holkeri believes.

In Harri Holkeri's interview with UUSI SUOMI on Sunday, the beginning of a new political fall term was apparent. Many issues, which he is now ready to tackle, have been waiting for the prime minister's return from vacation. Neither opinion polls nor rumors regarding the Outokumpu copper issue seem to worry him too much.

It should be noted that the cabinet was formed to take care of running the country in the best possible way, and not to please people nor to score politically. The results, which may not always appear immediately, will determine how successful the government has been.

Fair and reasonable self-criticism, however, is a sign of healthy self-esteem. While still stressing the public health significance of the move, Holkeri acknowledged the cabinet's role in accelerating inflation by raising the prices of alcohol and cigarettes, among others. Of course, Holkeri's criticism concerning excessive growth in public spending was also directed at the blue-red (Conservatives-Social Democrats) cabinet's first budget.

Holkeri would have succeeded if he had also acknowledged the blunders in dealing with the Outokumpu issue. He is, of course, right in claiming that the rumors have been silenced, and that the cabinet merely followed an established policy. But one should learn from operational mistakes.

But, above all, as he should, the prime minister will gather all his strength for the budget discussions. It was a mistake to delay tax reform and thus link it with the budget discussions, which are sufficiently difficult in and of themselves. But what is done is done, and we will just have to work so much harder for a good solution.

During the summer, the Social Democratic and Conservative thinking on tax reform, seemed to have fallen further apart. Chairman Pertti Paasio stressed the need to secure growth in public spending; obviously, the SDP also wanted to play up to the left wing of the party by emphasizing progressive taxation. For the Conservatives, lowering the marginal tax rate is still at the core of tax reform.

At this stage, it would not be advisable for the prime minister to take a stand on this issue. Instead, he has let us know that, if and when the work becomes stalemated, he would be ready to act as a mediator in the negotiations. We can only hope that he will be sufficiently well-prepared to avoid blunders in last-minute negotiations on a compromise.

On the other hand, Holkeri seems to think that tax reform is just a beginning, and that economic development is perhaps a more burning problem. It is definitely important.

Holkeri's recipe is a mix of the same remedies, as suggested by the Central Industrial Federation, among others. Excessive consumption feeds inflation, and should be controlled by cutting government spending.

Minister of Finance Erkki Liikanen also shares this view. Paasio's speech in favor of public spending, together with his well-known stand on inflation, may be noted here as well. This is the SDP's traditional line, which is further strengthened by the fact that an ever greater number of Social Democratic voters and fieldworkers are government or county employees. Competitiveness is a more remote concern for them than for workers in export industries.

Holkeri has mentioned public construction, as an area that justifiably must be trimmed in the budget. According to Parkinson's law, the cost of public construction tends climb up anyway. But, in general, excessive consumption should be reduced, first of all, in these areas.

Whether or not Holkeri will get his policies accepted in the unusually important budget discussions, will determine his cabinet's short- and long-term reputation.

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